

**LOWER VALLEY ENERGY**  
**STATEMENT OF OPERATIONS**  
*For The Month Ended*  
**February 28, 2017**

**CONSOLIDATED**

*We hereby certify that the entries in this report are in accordance with the accounts and other records of Lower Valley Energy, Inc. and reflect the status of the Cooperative to the best of our knowledge and belief.*

\_\_\_\_\_  
SIGNATURE OF ACCOUNTING MANAGER

March 15, 2017

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SIGNATURE OF PRESIDENT AND CEO

March 15, 2017

\_\_\_\_\_  
DATE

**STATEMENT OF OPERATIONS - CONSOLIDATED**

ITEM	YEAR-TO-DATE			
	Electric	Natural Gas	Consolidated	Budget
<b>1 Operating Revenue</b>	<b>\$ 11,218,495</b>	<b>\$ 2,814,027</b>	<b>\$ 14,032,522</b>	<b>\$ 13,227,813</b>
2 Power Production Expense	7,872	-	7,872	35,863
3 Cost of Purchased Power/Gas Sold	6,468,444	1,133,620	7,602,064	7,743,398
4 Transmission Operation & Maintenance	55,866	19,983	75,848	104,969
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	554,163	72,576	626,739	673,202
7 Distribution Maintenance Expense	204,123	33,975	238,099	223,648
8 Consumer Accounts Expense	114,135	13,868	128,003	135,368
9 Customer Service and Informational Expense	39,040	3,790	42,830	63,300
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	272,305	58,447	330,752	615,417
<b>12 Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>\$ 7,715,948</b>	<b>\$ 1,336,259</b>	<b>\$ 9,052,206</b>	<b>\$ 9,595,166</b>
13 Depreciation and Amortization Expense	782,739	210,844	993,583	1,014,580
14 Tax Expense-Property	91,202	37,898	129,101	118,760
15 Tax Expense-Other	9,860	3,826	13,686	13,300
16 Interest on Long-Term Debt	715,002	221,893	936,895	941,010
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other <sup>1</sup>	1,640	122	1,762	4,000
19 Other Deductions	(25,136)	-	(25,136)	(25,140)
<b>20 Total Cost of Electric Service (16 thru 23)</b>	<b>\$ 9,291,255</b>	<b>\$ 1,810,842</b>	<b>\$ 11,102,097</b>	<b>\$ 11,661,676</b>
<b>21 Patronage Capital &amp; Operating Margins (3 minus 24)</b>	<b>\$ 1,927,240</b>	<b>\$ 1,003,185</b>	<b>\$ 2,930,425</b>	<b>\$ 1,566,137</b>
22 Non Operating Margins-Interest <sup>1</sup>	46,586	-	46,586	35,156
23 Allowance for Funds Used During Construction	-	-	-	-
24 Income (Loss) from Equity Investments	-	-	-	-
25 Non Operating Margins-Other	-	-	-	-
26 Generation and Transmission Capital Credits	-	-	-	-
27 Other Capital Credits and Patronage Dividends	3,914	-	3,914	20,000
28 Extraordinary Items	-	-	-	-
<b>29 Patronage Capital or Margins (21 thru 28)</b>	<b>\$ 1,977,740</b>	<b>\$ 1,003,185</b>	<b>\$ 2,980,925</b>	<b>\$ 1,621,293</b>

**DATA ON TRANSMISSION AND DISTRIBUTION**

ITEM	YEAR-TO-DATE			
	Electric	Natural Gas	Consolidated	Last Year
1 New Services Connected	38	13	51	75
2 Services Retired	15	-	15	18
3 Total Services in Place	27,488	4,155	31,643	31,349
4 Idle Services (Excluding Seasonal)	228	36	264	255
5 Miles Transmission	235	53	288	288
6 Miles Distribution - Overhead	935	-	935	933
7 Miles Distribution - Underground	1,485	210	1,695	1,725
8 Total Miles In Service ( 5 + 6 + 7 )	2,655	263	2,918	2,946

<sup>1</sup> Lines 18 and 22 in the Consolidated column do not include intercompany interest earned or accrued between the Electric and Gas divisions.

**LOWER VALLEY ENERGY**  
**STATEMENT OF OPERATIONS**  
*For The Month Ended*  
**February 28, 2017**

**STATEMENT OF OPERATIONS - CONSOLIDATED**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1 Operating Revenue	\$ 12,767,121	\$ 14,032,522	\$ 13,227,813	\$ 6,055,626
2 Power Production Expense	33,551	7,872	35,863	4,178
3 Cost of Purchased Power & Gas	6,761,671	7,602,064	7,743,398	3,101,990
4 Transmission Operation & Maintenance	82,657	75,848	104,969	34,776
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	616,312	626,739	673,202	288,693
7 Distribution Maintenance Expense	184,825	238,099	223,648	118,584
8 Consumer Accounts Expense	143,503	128,003	135,368	63,296
9 Customer Service and Informational Expense	48,157	42,830	63,300	22,769
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	403,119	330,752	615,417	189,803
12 Total Operation & Maintenance Expense (2 thru 11)	\$ 8,273,795	\$ 9,052,206	\$ 9,595,166	\$ 3,824,088
13 Depreciation and Amortization Expense	983,828	993,583	1,014,580	499,154
14 Tax Expense-Property	109,520	129,101	118,760	64,550
15 Tax Expense-Other	12,948	13,686	13,300	6,521
16 Interest on Long-Term Debt	993,794	936,895	941,010	468,531
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other <sup>1</sup>	4,739	1,762	4,000	912
19 Other Deductions	(29,824)	(25,136)	(25,140)	(10,224)
20 Total Cost of Electric Service (16 thru 23)	\$ 10,348,800	\$ 11,102,097	\$ 11,661,676	\$ 4,853,534
21 Patronage Capital & Operating Margins (3 minus 24)	\$2,418,321	\$2,930,425	\$1,566,137	\$1,202,092
22 Non Operating Margins-Interest <sup>1</sup>	38,851	46,586	35,156	23,297
23 Allowance for Funds Used During Construction	-	-	-	-
24 Income (Loss) from Equity Investments	-	-	-	-
25 Non Operating Margins-Other	-	-	-	-
26 Generation and Transmission Capital Credits	-	-	-	-
27 Other Capital Credits and Patronage Dividends	19,219	3,914	20,000	3,914
28 Extraordinary Items	-	-	-	-
29 Patronage Capital or Margins (21 thru 28)	\$ 2,476,391	\$ 2,980,925	\$ 1,621,293	\$ 1,229,303

**DATA ON TRANSMISSION AND DISTRIBUTION**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	75	51	5. Miles Trans.	288	288
2. Services Retired	18	15	6. Miles Dist. - OH	933	935
3. Total Services in Place	31,349	31,643	7. Miles Dist. - UG	1,725	1,695
4. Idle Services (Exclude Seasonal)	255	264	8. Total Miles (5 + 6 + 7)	2,946	2,918

<sup>1</sup> Lines 18 and 22 do not include intercompany interest earned or accrued between the Electric and Gas divisions.

**LOWER VALLEY ENERGY, INC.**  
**BALANCE SHEET**  
*As of*  
**February 28, 2017**

**CONSOLIDATED**

ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
	Current Year	Prior Year		Current Year	Prior Year
1 Total Utility Plant in Service	\$ 220,414,714	\$ 218,326,621	30 Memberships	\$ -	\$ -
2 Construction Work in Progress	983,007	334,170	31 Patronage Capital	57,801,731	60,699,530
<b>3 Total Utility Plant</b>	<b>221,397,721</b>	<b>218,660,791</b>	32 Operating Margins-Prior Years	6,659,375	-
4 Accum. Provision for Depreciation and Amort	99,070,300	93,487,279	33 Operating Margins-Current Year	2,930,395	2,418,321
<b>5 Net Utility Plant</b>	<b>122,327,421</b>	<b>125,173,512</b>	34 Non Operating Margins	50,500	58,070
6 Nonutility Property - Net	-	-	35 Other Margins and Equities	17,851,796	16,959,586
7 Investments in Subsidiary Companies	-	-	<b>36 Total Margins &amp; Equities</b>	<b>85,293,797</b>	<b>80,135,507</b>
8 Invest. in Assoc. Org. - Patronage Capital	2,611,865	2,331,423	37 Long-Term Debt - RUS (Net)	-	-
9 Invest. in Assoc. Org.-Other-General Funds	6,685	6,685	38 Long-Term Debt - FFB - RUS Guaranteed	-	-
10 Invest. in Assoc. Org.-Other-Nongeneral Funds	2,017,692	2,019,375	39 Long-Term Debt - Other - RUS Guaranteed	-	-
11 Investments in Economic Development Projects	(4,573)	2,093	40 Long-Term Debt-Other (Net)	46,307,390	48,610,833
12 Other Investments	590,000	626,667	40a Long-Term Debt-BPA Power Prepayment	122,769,534	131,139,401
13 Special Funds	-	-	41 Long-Term Debt - WY SEO (Net)	1,136,156	1,318,965
<b>14 Total Other Property &amp; Investments</b>	<b>5,221,669</b>	<b>4,986,243</b>	41a Long-Term Debt - REDL&G	1,000,000	-
15 Cash-General Funds	970,057	684,971	42 Payments - Unapplied	-	-
16 Cash-Construction Funds-Trustee	-	-	<b>43 Total Long-Term Debt</b>	<b>171,213,080</b>	<b>181,069,199</b>
17 Special Deposits	1,335,521	1,306,225	44 Obligations under Capital Leases	-	-
18 Temporary Investments	8,568,111	4,610,356	45 Accumulated Operating Provisions	-	-
19 Notes Receivable-Net	1,339,482	325,235	<b>46 Total Other Noncurrent Liabilities</b>	<b>-</b>	<b>-</b>
20 Accounts Receivable-Net Sales of Energy	5,855,855	5,299,886	47 Notes Payable	-	-
21 Accounts Receivable-Net Other	871,031	919,233	48 Accounts Payable	3,282,484	2,808,733
22 Renewable Energy Credits	-	-	49 Consumers Deposits	550,664	588,829
23 Materials & Supplies-Electric and Other	1,681,887	1,631,640	50 Current Maturities Long-Term Debt	2,259,212	10,837,087
24 Prepayments (inc. BPA Power Prepayment)	388,382	344,323	50a Current Maturities LTD (BPA Prepay)	8,664,099	-
24a BPA Power Prepayment - Current	8,258,881	7,891,736	51 Current Maturities LTD - Econ. Devel.	-	-
25 Other Current & Accrued Assets	2,463,715	2,163,847	52 Current Maturities Capital Leases	-	-
<b>26 Total Current &amp; Accrued Assets</b>	<b>31,732,922</b>	<b>25,177,453</b>	53 Other Current & Accrued Liabilities	3,086,218	2,895,246
27 Regulatory Assets	-	-	<b>54 Total Current &amp; Accrued Liabilities</b>	<b>17,842,677</b>	<b>17,129,896</b>
28 Other Deferred Debits	3,351,539	3,555,797	55 Regulatory Liabilities	-	-
28a BPA Power Prepayment - Non-current	115,769,455	124,088,373	56 Deferred Credits	4,053,452	4,646,776
<b>29 Total Assets &amp; Other Debits</b>	<b>\$ 278,403,006</b>	<b>\$ 282,981,378</b>	<b>57 Total Liabilities &amp; Other Credits</b>	<b>\$ 278,403,006</b>	<b>\$ 282,981,378</b>
ESTIMATED CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION					
58 Balance Beginning of Year (1978 Thru 2015)				\$60,642,009	\$57,433,118
59 Amounts Received This Year (Net)				26,520	90,140
60 Total Contributions-In-Aid-Of-Construction				<u>\$60,668,529</u>	<u>\$57,523,258</u>

**LOWER VALLEY ENERGY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

*As of*  
**February 28, 2017**

**THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.**

	2017		2016	
	January	February	January	February
1 Cost of Power & Gas				
Cost from Income Statement		\$ 7,602,064		\$ 6,761,671
Plus: Interest on BPA Prepayment Loan		677,035		722,581
Total Cost of Power with BPA Interest		<u>\$ 8,279,099</u>		<u>\$ 7,484,252</u>
2 Current Assets/Liabilities	1.70	1.78	1.78	1.47
3 Equity	28.43%	30.64%	30.64%	28.32%
Equity excluding BPA Power Prepayment	52.00%	54.80%	54.80%	52.78%
4 Long Term Debt as a % of Plant	76.02%	82.27%	82.27%	87.76%
5 Debt Service Coverage	2.31	1.72	1.78	1.44
6 Inventory Turnover - Electric (Dist & Trans)				
Dollar Value	0.51	0.52	0.63	0.65
Quantity	0.97	0.96	1.25	1.21
7 Intercompany Receivables/(Payables) :				
Combined Gas Division due to Electric	\$ 344,900	\$ 706,246	\$ (832,060)	\$ (467,735)
less: Teton Village CIA Receivable	1,343,122	1,315,593	1,448,491	1,421,316
Net Balance	<u>\$ 1,688,022</u>	<u>\$ 2,021,838</u>	<u>\$ 616,431</u>	<u>\$ 953,581</u>
8 Total Shared Overhead - Gas Division	<u>19,341</u>	<u>43,269</u>	<u>22,399</u>	<u>48,474</u>
9 Total Shared Overheads - Beartooth Electric	<u>49,156</u>	<u>97,239</u>	<u>47,523</u>	<u>95,062</u>
10 Material Inventory:				
Material	1,671,134	1,681,887	1,640,918	1,631,640
Special Equip.	2,322,352	2,376,115	2,313,392	2,288,498
Total Material	<u>3,993,486</u>	<u>4,058,002</u>	<u>3,954,310</u>	<u>3,920,138</u>
11 Inventory Carrying Cost (YTD)	<u>4,010</u>	<u>8,062</u>	<u>3,982</u>	<u>7,937</u>
12 Aged Accounts Receivable (Over 60 Days):	<u>13,248</u>	<u>15,340</u>	<u>14,302</u>	<u>25,617</u>
13 LVE has a \$12 Million dollar line of credit with CFC, and a \$5 Million line of credit with 1st Bank to meet short term cash needs.				
CFC line of credit balance is:		\$ -		
1st Bank line of credit balance is:		-		
Total lines of credit		<u>\$ -</u>		

**LOWER VALLEY ENERGY, INC**  
**STATEMENT OF CASH FLOWS**  
*For The Month Ended*  
**February 28, 2017**

**CONSOLIDATED**

	YEAR TO DATE	BUDGET	THIS MONTH
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net Margins	\$ 2,980,925	\$ 1,621,293	\$ 1,229,303
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation Expense	993,583	1,014,580	499,154
Decrease/(Increase) in:			
Special Deposits	993,290	-	993,312
Accounts Receivable	287,051	-	246,013
Other Accounts Receivable	114,305	-	(503,883)
Materials & Supplies	(74,684)	-	(10,753)
Prepayments	(335,165)	-	(77,484)
BPA Prepayment	1,350,532	949,467	676,546
Other Current Assets	927,167	-	956,717
Other Deferred Debits	16,147	15,840	73,878
Increase/(Decrease) in:			
Accounts Payable (excluding line of credit)	(180,008)	-	(995,519)
Consumer Deposits	22,880	-	16,987
Other Current Liabilities	(647,387)	-	(367,114)
Deferred Credits	(1,178,478)	(59,434)	(19,215)
Net cash provided by operating activities	5,270,157	3,541,746	2,717,942
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of Fixed Assets Net of Retirements	(256,878)	(319,058)	(225,445)
Change in Notes Receivable	(991,293)	-	(989,587)
Change in Investments in Associated Organizations	3,735	-	2,875
Change in Investments in Economic Development Projects	6,667	-	6,667
Change in Temporary Investments	(997,117)	-	(436,560)
Change in Other Investments	-	-	-
Net cash provided/(used) by investing activities	(2,234,885)	(319,058)	(1,642,050)
<b>CASH FLOWS FROM FINANCING AND CAPITAL CREDIT ACTIVITIES:</b>			
Change in Capital Credits	(143,463)	(174,000)	(50,459)
Change in Line of Credit	-	-	-
Change in Long-term Debt	(1,921,752)	(2,171,752)	(1,214,376)
Net cash provided/(used) by financing and capital credit activities	(2,065,215)	(2,345,752)	(1,264,835)
Total change in cash	970,057	876,936	(188,943)
Beginning cash	-	7,000,000	1,159,001
Ending cash	\$ 970,057	\$ 7,876,936	\$ 970,057
Add: Temporary investments	8,568,111		
Ending cash and temporary investments	\$ 9,538,169		

**LOWER VALLEY ENERGY, INC**  
**SUMMARY OF DEFERRED DEBITS & CREDITS**

*As of*  
**February 28, 2017**

**CONSOLIDATED**

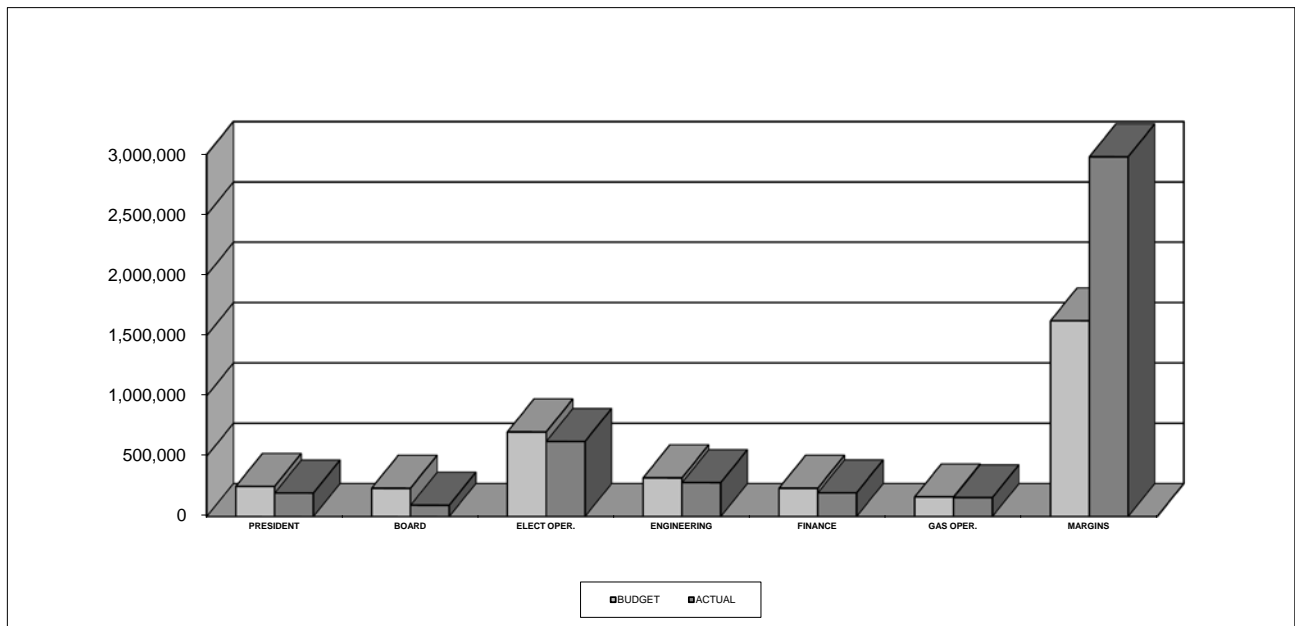
	YEAR TO DATE	PRIOR MONTH	PRIOR YEAR
<b>Deferred Debits - Electric Division</b>			
Transportation Expense Clearing	\$ -	\$ -	\$ -
CFC Repricing Fees	421,865	423,205	437,936
Vehicle Clearing Account	-	-	-
Town of Afton Swift Creek Receivable	41,258	31,576	35,975
	463,123	454,780	473,912
<b>Deferred Debits - Gas Division</b>			
CFC Repricing Fees	1,522,721	1,529,298	1,601,654
Teton Village Contribution in Aid Rec.	1,315,593	1,343,122	1,421,316
Propane Fuel Balancing Account	-	-	-
Natural Gas Fuel Balancing Account	50,103	98,216	58,915
	2,888,416	2,970,636	3,081,885
<b>Total Deferred Debits</b>	<b>\$ 3,351,539</b>	<b>\$ 3,425,417</b>	<b>\$ 3,555,797</b>
<b>Deferred Credits - Electric Division</b>			
Horse Butte Wind Payment from Eagle Mountain	\$ 3,155,134	\$ 3,172,281	\$ 3,551,298
Conservation Expenditures	(54,589)	(83,137)	(488,499)
Conservation - Loan Loss Reserve	200,000	200,000	200,000
Conservation Funds	289,555	289,555	275,699
Prepaid Revenue-Gift Certificates	2,945	3,320	4,020
Unamortized Gain on Debt Discount	-	10,224	174,258
Boardman liability	460,407	480,425	930,000
	4,053,452	4,072,668	4,646,776
<b>Deferred Credits - Gas Division</b>			
Natural Gas Fuel Balancing Account	-	-	-
	-	-	-
<b>Total Deferred Credits</b>	<b>\$ 4,053,452</b>	<b>\$ 4,072,668</b>	<b>\$ 4,646,776</b>

**Lower Valley Energy**  
 Consolidated Budget vs. Actual Comparison  
**For The Month Ended**  
**February 28, 2017**

ITEM	2017 Total			YTD Variance	% Variance
	Budget	YTD Actual	YTD Budget		
<b>1 Operating Revenue</b>	<b>\$ 53,654,363</b>	<b>\$ 14,032,522</b>	<b>\$ 13,227,813</b>	<b>\$ 804,710</b>	<b>6.08%</b>
2 Power Production Expense	152,585	7,872	35,863	(27,991)	-78.05%
3 Cost of Purchased Power	26,431,653	7,602,064	7,743,398	(141,334)	-1.83%
4 Transmission Operation & Maintenance	692,611	75,848	104,969	(29,121)	-27.74%
5 Regional Market Expense	-	-	-	-	0.00%
6 Distribution Operation Expense	3,403,728	626,739	673,202	(46,463)	-6.90%
7 Distribution Maintenance Expense	1,603,716	238,099	223,648	14,450	6.46%
8 Consumer Accounts Expense	909,065	128,003	135,368	(7,365)	-5.44%
9 Customer Service and Informational Expense	633,249	42,830	63,300	(20,471)	-32.34%
10 Sales Expense	-	-	-	-	0.00%
11 Administrative and General Expense	2,616,832	330,752	615,417	(284,665)	-46.26%
<b>12 Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>36,443,439</b>	<b>9,052,206</b>	<b>9,595,166</b>	<b>(542,960)</b>	<b>-5.66%</b>
13 Depreciation and Amortization Expense	6,267,080	993,583	1,014,580	(20,997)	-2.07%
14 Tax Expense-Property	666,840	129,101	118,760	10,341	8.71%
15 Tax Expense-Other	51,900	13,686	13,300	386	2.90%
16 Interest on Long-Term Debt	6,011,788	936,895	941,010	(4,115)	-0.44%
17 Interest Charged to Construction-Credit	-	-	-	-	0.00%
18 Interest Expense-Other	84,000	1,762	4,000	(2,238)	-55.94%
19 Other Deductions	(178,947)	(25,136)	(25,140)	4	-0.02%
<b>20 Total Cost of Electric Service (12 thru 19)</b>	<b>49,346,100</b>	<b>11,102,097</b>	<b>11,661,676</b>	<b>(559,579)</b>	<b>-4.80%</b>
<b>21 Patronage Capital &amp; Operating Margins (1 minus 20)</b>	<b>4,308,263</b>	<b>2,930,425</b>	<b>1,566,137</b>	<b>1,364,289</b>	<b>87.11%</b>
22 Non Operating Margins-Interest	156,000	46,586	35,156	11,430	32.51%
23 Allowance for Funds Used During Construction	-	-	-	-	0.00%
24 Income (Loss) from Equity Investments	-	-	-	-	0.00%
25 Non Operating Margins-Other	10,000	-	-	-	0.00%
26 Generation and Transmission Capital Credits	-	-	-	-	0.00%
27 Other Capital Credits and Patronage Dividends	525,000	3,914	20,000	(16,086)	-80.43%
28 Extraordinary Items	-	-	-	-	0.00%
<b>29 Patronage Capital or Margins (21 thru 28)</b>	<b>\$ 4,999,263</b>	<b>\$ 2,980,925</b>	<b>\$ 1,621,293</b>	<b>\$ 1,359,633</b>	<b>83.86%</b>

Tier - Oper.	1.72	4.13	2.66
Tier - Total	1.83	4.18	2.72

**BUDGET BY DEPARTMENT**



**LOWER VALLEY ENERGY**  
**STATEMENT OF OPERATIONS**  
*For The Month Ended*  
**February 28, 2017**

**ELECTRIC DIVISION**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
<b>1 Operating Revenue and Patronage Capital</b>	<b>\$ 10,423,452</b>	<b>\$ 11,218,495</b>	<b>\$ 10,625,113</b>	<b>\$ 4,852,131</b>
2 Power Production Expense	33,551	7,872	35,863	4,178
3 Cost of Purchased Power	6,062,654	6,468,444	6,727,310	2,603,289
4 Transmission Operation & Maintenance	53,263	55,866	72,341	24,763
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	544,407	554,163	609,383	250,573
7 Distribution Maintenance Expense	149,137	204,123	186,607	97,908
8 Consumer Accounts Expense	129,322	114,135	115,694	56,952
9 Customer Service and Informational Expense	44,603	39,040	57,953	20,608
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	327,755	272,305	493,970	159,746
<b>12 Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>\$ 7,344,693</b>	<b>\$ 7,715,948</b>	<b>\$ 8,299,120</b>	<b>\$ 3,218,016</b>
13 Depreciation and Amortization Expense	774,535	782,739	803,550	393,739
14 Tax Expense-Property	74,380	91,202	83,550	45,601
15 Tax Expense-Other	9,639	9,860	9,900	4,723
16 Interest on Long-Term Debt	765,641	715,002	719,110	357,585
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other	1,506	1,640	2,400	849
19 Other Deductions	(29,824)	(25,136)	(25,140)	(10,224)
<b>20 Total Cost of Electric Service (12 thru 19)</b>	<b>\$ 8,940,570</b>	<b>\$ 9,291,255</b>	<b>\$ 9,892,490</b>	<b>\$ 4,010,289</b>
21 Patronage Capital & Operating Margins (1 minus 20)	\$ 1,482,883	\$ 1,927,240	\$ 732,623	\$ 841,841
22 Non Operating Margins-Interest	38,851	46,586	35,156	23,297
23 Allowance for Funds Used During Construction	-	-	-	-
24 Income (Loss) from Equity Investments	-	-	-	-
25 Non Operating Margins-Other	-	-	-	-
26 Generation and Transmission Capital Credits	-	-	-	-
27 Other Capital Credits and Patronage Dividends	19,219	3,914	20,000	3,914
28 Extraordinary Items	-	-	-	-
<b>29 Patronage Capital or Margins (21 thru 28)</b>	<b>\$ 1,540,953</b>	<b>\$ 1,977,740</b>	<b>\$ 787,779</b>	<b>\$ 869,052</b>

**DATA ON TRANSMISSION AND DISTRIBUTION**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	65	38	5. Miles Trans.	235	235
2. Services Retired	17	15	6. Miles Dist. - Overhead	933	935
3. Total Services in Place	27,130	27,488	7. Miles Dist. - Underground	1,497	1,485
4. Idle Services (Exclude Seasonal)	222	228	8. Total Miles (5 + 6 + 7)	2,665	2,655



**LOWER VALLEY ENERGY**  
BALANCE SHEET  
As of  
February 28, 2017

**ELECTRIC DIVISION**

ASSETS AND OTHER DEBITS				LIABILITIES AND OTHER CREDITS			
		Current Year	Prior Year			Current Year	Prior Year
1	Total Utility Plant in Service	\$ 174,866,625	\$ 172,986,103	30	Memberships	\$ -	\$ -
2	Construction Work in Progress	723,280	290,571	31	Patronage Capital	49,888,130	52,775,241
<b>3</b>	<b>Total Utility Plant</b>	<b>175,589,905</b>	<b>173,276,675</b>	32	Operating Margins-Prior Years	5,228,047	-
4	Accum. Provision for Depreciation and Amort	86,404,733	82,095,615	33	Operating Margins-Current Year	1,927,210	1,482,883
<b>5</b>	<b>Net Utility Plant</b>	<b>89,185,172</b>	<b>91,181,059</b>	34	Non Operating Margins	50,500	58,070
6	Nonutility Property - Net	-	-	35	Other Margins and Equities	17,824,500	16,940,464
7	Investments in Subsidiary Companies	-	-	<b>36</b>	<b>Total Margins &amp; Equities</b>	<b>74,918,387</b>	<b>71,256,658</b>
8	Invest. in Assoc. Org. - Patronage Capital	1,965,420	1,739,316	37	Long-Term Debt - RUS (Net)	-	-
9	Invest. in Assoc. Org.-Other-General Funds	6,685	6,685	38	Long-Term Debt - FFB - RUS Guaranteed	-	-
10	Invest. in Assoc. Org.-Other-Nongeneral Funds	1,438,792	1,440,475	39	Long-Term Debt - Other - RUS Guaranteed	-	-
11	Investments in Economic Development Projects	(4,573)	2,093	40	Long-Term Debt-Other (Net)	17,889,757	19,200,679
12	Other Investments	590,000	626,667	40a	Long-Term Debt-BPA Power Prepayment	122,769,534	131,139,401
13	Special Funds	-	-	41	Long-Term Debt - WY SEO (Net)	1,136,156	1,318,965
<b>14</b>	<b>Total Other Property &amp; Investments</b>	<b>3,996,324</b>	<b>3,815,236</b>	41a	Long-Term Debt - REDL&G	1,000,000	-
15	Cash-General Funds	970,057	684,971	42	Payments - Unapplied	-	-
16	Cash-Construction Funds-Trustee	-	-	<b>43</b>	<b>Total Long-Term Debt</b>	<b>142,795,446</b>	<b>151,659,046</b>
17	Special Deposits	1,335,521	1,306,225	44	Obligations under Capital Leases	-	-
18	Temporary Investments	8,568,111	4,610,356	45	Accumulated Operating Provisions	-	-
19	Notes Receivable-Net	1,339,482	325,235	<b>46</b>	<b>Total Other Noncurrent Liabilities</b>	<b>-</b>	<b>-</b>
20	Accounts Receivable-Net Sales of Energy	4,522,405	4,208,808	47	Notes Payable	-	-
21	Accounts Receivable-Net Other	816,232	894,577	48	Accounts Payable	3,233,817	2,789,338
22	Renewable Energy Credits	-	-	49	Consumers Deposits	502,032	513,402
23	Materials & Supplies-Electric and Other	1,571,599	1,533,131	50	Current Maturities Long-Term Debt	1,266,691	9,876,982
24	Prepayments	388,382	344,323	50a	Current Maturities LTD (BPA Prepay)	8,664,099	-
24a	BPA Power Prepayment - Current	8,258,881	7,891,736	51	Current Maturities LTD - Econ. Devel.	-	-
25	Other Current & Accrued Assets	1,187,311	2,154,787	52	Current Maturities Capital Leases	-	-
<b>26</b>	<b>Total Current &amp; Accrued Assets</b>	<b>28,957,982</b>	<b>23,954,150</b>	53	Other Current & Accrued Liabilities	2,938,130	2,770,529
27	Regulatory Assets	-	-	<b>54</b>	<b>Total Current &amp; Accrued Liabilities</b>	<b>16,604,769</b>	<b>15,950,251</b>
28	Other Deferred Debits	463,123	473,912	55	Regulatory Liabilities	-	-
28a	BPA Power Prepayment - Non-current	115,769,455	124,088,373	56	Deferred Credits	4,053,452	4,646,776
<b>29</b>	<b>Total Assets &amp; Other Debits</b>	<b>\$ 238,372,055</b>	<b>\$ 243,512,730</b>	<b>57</b>	<b>Total Liabilities &amp; Other Credits</b>	<b>\$ 238,372,055</b>	<b>\$ 243,512,730</b>

**NOTES TO FINANCIAL STATEMENTS**

THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.

		2017		2016	
		January	February	January	February
1	Cost of Power				
	Cost of Power from Income Statement		\$ 6,468,444		\$ 6,062,654
	plus: Interest on BPA Prepayment Loan		677,035		722,581
	Total Power Cost		<u>\$ 7,145,480</u>		<u>\$ 6,785,236</u>
2	Current Assets/Liabilities	1.67	1.74	1.43	1.50
3	Equity	29.42%	29.89%	28.75%	27.76%
	Equity excluding BPA Power Prepayment	62.28%	63.14%	62.13%	61.68%
4	Long Term Debt as a % of Plant	81.99%	81.32%	88.05%	87.52%
5	Material Inventory:				
	Material	1,553,356	1,571,599	1,545,688	1,533,131
	Special Equip.	2,322,352	2,376,115	2,313,392	2,288,498
	<b>Total Material</b>	<b><u>3,875,708</u></b>	<b><u>3,947,714</u></b>	<b><u>3,859,080</u></b>	<b><u>3,821,629</u></b>

**LOWER VALLEY ENERGY, INC**  
**STATEMENT OF CASH FLOWS**

*For The Month Ended*

*February 28, 2017*

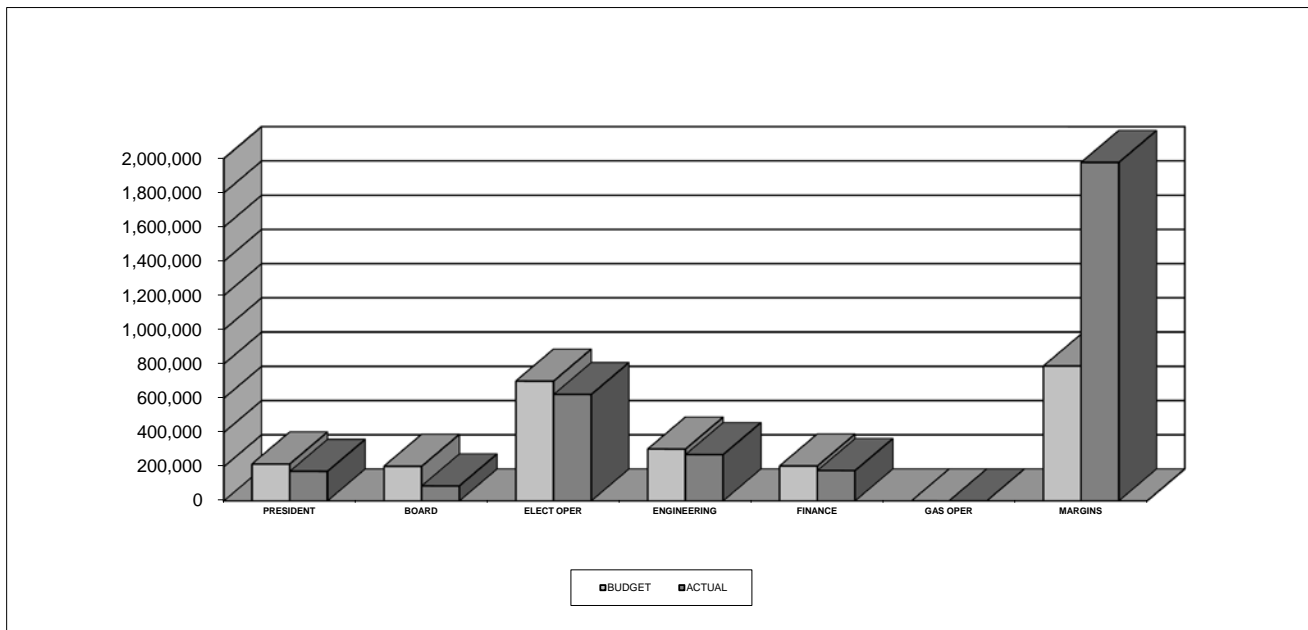
**ELECTRIC DIVISION**

	YEAR TO DATE	THIS MONTH
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Margins	\$ 1,977,740	\$ 869,052
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	782,739	393,739
Decrease/(Increase) in:		
Special Deposits	993,290	993,312
Accounts Receivable	466,142	114,631
Other Accounts Receivable	117,209	(504,228)
Materials & Supplies	(79,470)	(18,243)
Prepayments	(335,165)	(77,484)
BPA Prepayment	1,350,532	676,546
Other Current Assets	1,181,951	800,889
Other Deferred Debits	(15,277)	(8,343)
Increase/(Decrease) in:		
Accounts Payable	(162,914)	(963,033)
Consumer Deposits	47,946	13,088
Other Current Liabilities	(155,132)	200,183
Deferred Credits	(1,134,820)	(19,215)
Net cash provided by operating activities	5,034,772	2,470,894
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets Net of Retirements	(266,020)	(222,422)
Change in Notes Receivable	(991,293)	(989,587)
Change in Investments in Associated Organizations	3,735	2,875
Change in Investments in Economic Development Projects	6,667	6,667
Change in Temporary Investments	(997,117)	(436,560)
Change in Other Investments	-	-
Net cash provided/(used) by investing activities	(2,244,028)	(1,639,027)
<b>CASH FLOWS FROM FINANCING AND CAPITAL CREDIT</b>		
Change in Capital Credits	(142,960)	(50,459)
Change in Line of Credit	-	-
Change in Long-term Debt	(1,677,727)	(970,351)
Net cash provided/(used) by financing and capital credit activities	(1,820,687)	(1,020,810)
Total change in cash	970,057	(188,943)
Beginning cash	-	1,159,001
Ending cash	\$ 970,057	\$ 970,057
Add: Temporary investments	8,568,111	
Ending cash and temporary investments	\$ 9,538,169	

**Lower Valley Energy**  
Electric Budget vs. Actual Comparison  
*For The Month Ended*  
*February 28, 2017*

ITEM	2017 Total			YTD Variance	% Variance
	Budget	YTD Actual	YTD Budget		
<b>1 Operating Revenue</b>	<b>\$ 45,529,363</b>	<b>\$ 11,218,495</b>	<b>\$ 10,625,113</b>	<b>\$ 593,382</b>	<b>5.58%</b>
2 Power Production Expense	152,585	7,872	35,863	(27,991)	-78.05%
3 Cost of Purchased Power	23,725,597	6,468,444	6,727,310	(258,866)	-3.85%
4 Transmission Operation & Maintenance	462,317	55,866	72,341	(16,475)	-22.77%
5 Regional Market Expense	-	-	-	-	0.00%
6 Distribution Operation Expense	3,070,714	554,163	609,383	(55,220)	-9.06%
7 Distribution Maintenance Expense	1,412,259	204,123	186,607	17,516	9.39%
8 Consumer Accounts Expense	791,976	114,135	115,694	(1,559)	-1.35%
9 Customer Service and Informational Expense	545,394	39,040	57,953	(18,913)	-32.63%
10 Sales Expense	-	-	-	-	0.00%
11 Administrative and General Expense	2,092,986	272,305	493,970	(221,664)	-44.87%
<b>12 Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>32,253,829</b>	<b>7,715,948</b>	<b>8,299,120</b>	<b>(583,172)</b>	<b>-7.03%</b>
13 Depreciation and Amortization Expense	5,014,910	782,739	803,550	(20,811)	-2.59%
14 Tax Expense-Property	456,000	91,202	83,550	7,652	9.16%
15 Tax Expense-Other	39,900	9,860	9,900	(40)	-0.40%
16 Interest on Long-Term Debt	4,659,956	715,002	719,110	(4,108)	-0.57%
17 Interest Charged to Construction-Credit	-	-	-	-	0.00%
18 Interest Expense-Other	12,000	1,640	2,400	(760)	-31.66%
19 Other Deductions	(178,947)	(25,136)	(25,140)	4	-0.02%
<b>20 Total Cost of Electric Service (12 thru 19)</b>	<b>42,257,648</b>	<b>9,291,255</b>	<b>9,892,490</b>	<b>(601,235)</b>	<b>-6.08%</b>
<b>21 Patronage Capital &amp; Operating Margins (1 minus 20)</b>	<b>3,271,715</b>	<b>1,927,240</b>	<b>732,623</b>	<b>1,194,617</b>	<b>163.06%</b>
22 Non Operating Margins-Interest	156,000	46,586	35,156	11,430	32.51%
23 Allowance for Funds Used During Construction	-	-	-	-	0.00%
24 Income (Loss) from Equity Investments	-	-	-	-	0.00%
25 Non Operating Margins-Other	10,000	-	-	-	0.00%
26 Generation and Transmission Capital Credits	-	-	-	-	0.00%
27 Other Capital Credits and Patronage Dividends	425,000	3,914	20,000	(16,086)	-80.43%
28 Extraordinary Items	-	-	-	-	0.00%
<b>29 Patronage Capital or Margins (21 thru 28)</b>	<b>\$ 3,862,715</b>	<b>\$ 1,977,740</b>	<b>\$ 787,779</b>	<b>\$ 1,189,961</b>	<b>151.05%</b>
Tier - Oper.	1.70	3.70	2.02		
Tier - Total	1.83	3.77	2.10		

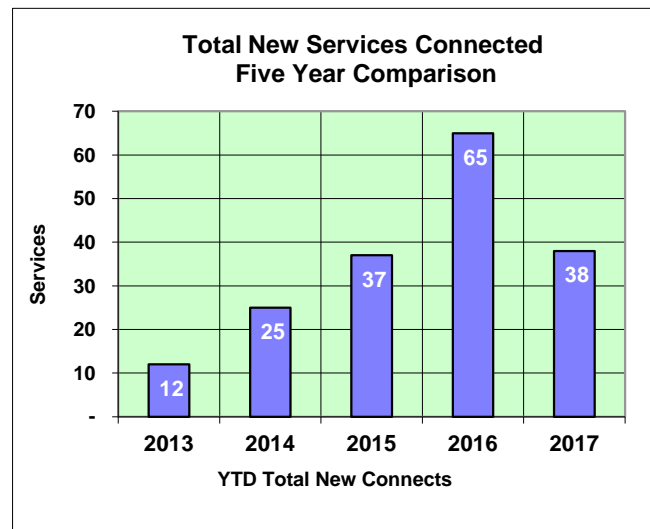
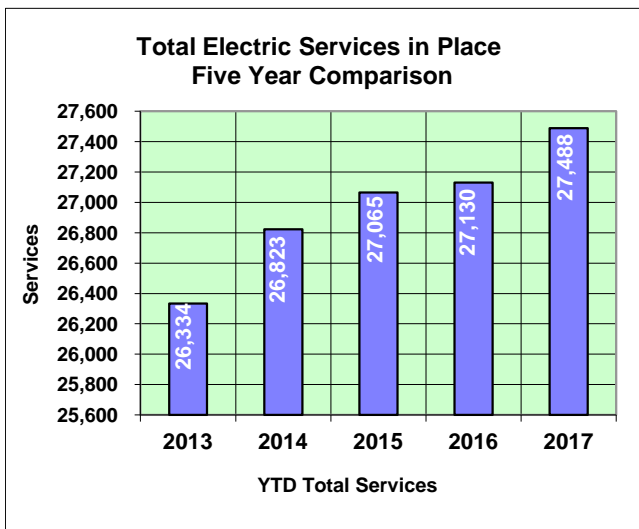
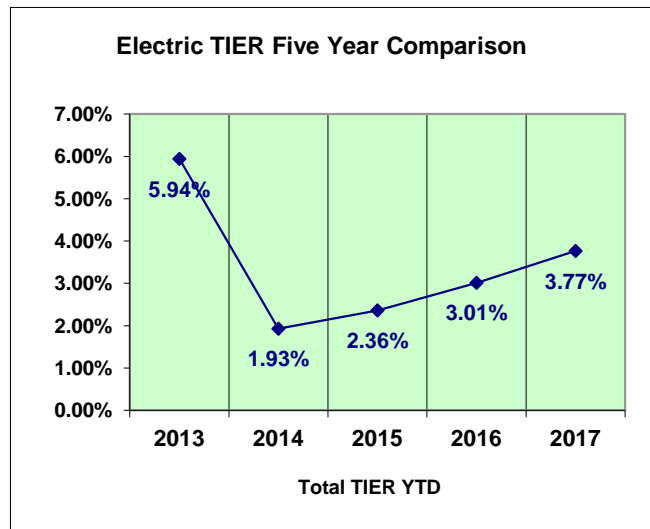
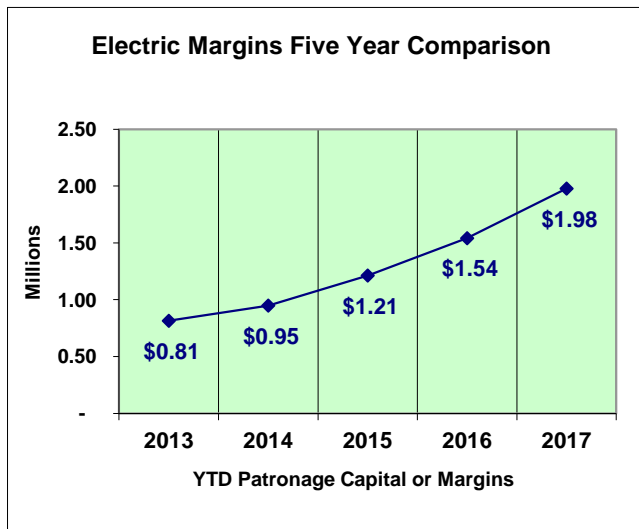
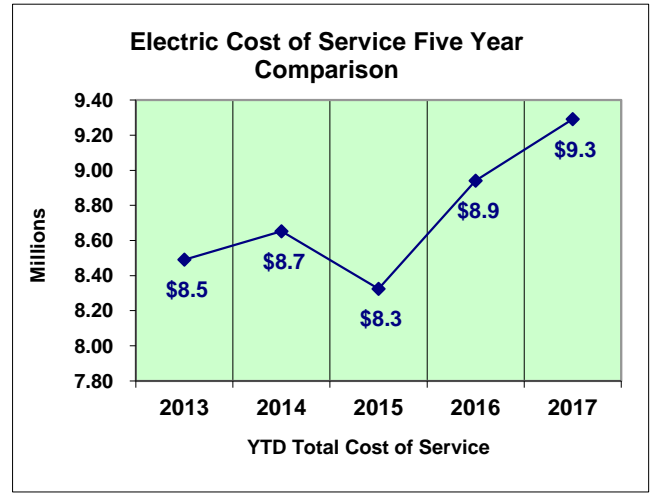
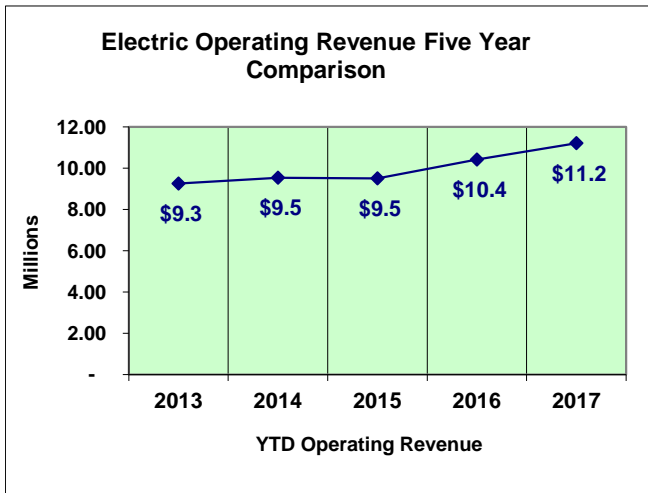
**BUDGET BY DEPARTMENT**



**Lower Valley Energy**  
**Electric Five Year Comparison**  
For the Month Ended  
February 28, 2017

ITEM	Year to Date 2017		Year to Date 2016		Year to Date 2015		Year to Date 2014		Year to Date 2013	
	\$	% of Op Rev	\$	% of Op Rev	\$	% of Op Rev	\$	% of Op Rev	\$	% of Op Rev
<b>1 Operating Revenue</b>	<b>\$11,218,495</b>		<b>\$10,423,452</b>		<b>\$9,511,082</b>		<b>\$9,543,045</b>		<b>\$9,260,126</b>	
2 Power Production Expense	\$7,872	0.07%	\$33,551	0.32%	\$22,282	0.23%	\$18,496	0.19%	\$10,652	0.12%
3 Cost of Purchased Power	6,468,444	57.66%	6,062,654	58.16%	5,244,470	55.14%	5,267,173	55.19%	6,322,429	68.28%
4 Transmission Operation & Maintenance	55,866	0.50%	53,263	0.51%	48,841	0.51%	62,122	0.65%	76,555	0.83%
5 Regional Market Expense		0.00%		0.00%	0	0.00%	0	0.00%	0	0.00%
6 Distribution Operation	554,163	4.94%	544,407	5.22%	524,599	5.52%	613,369	6.43%	552,842	5.97%
7 Distribution Maintenance	204,123	1.82%	149,137	1.43%	197,124	2.07%	146,298	1.53%	83,255	0.90%
8 Consumer Accounts Expense	114,135	1.02%	129,322	1.24%	110,340	1.16%	121,753	1.28%	117,966	1.27%
9 Customer Service & Information Expense	39,040	0.35%	44,603	0.43%	116,398	1.22%	202,772	2.12%	142,142	1.53%
10 Sales Expense	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
11 Administrative & General Expense	272,305	2.43%	327,755	3.14%	319,499	3.36%	363,434	3.81%	305,158	3.30%
<b>12 Total Operation &amp; Maintenance Expense</b>	<b>\$7,715,948</b>	<b>68.78%</b>	<b>\$7,344,693</b>	<b>70.46%</b>	<b>\$6,583,553</b>	<b>69.22%</b>	<b>\$6,795,418</b>	<b>71.21%</b>	<b>\$7,611,000</b>	<b>82.19%</b>
13 Depreciation & Amortization Expense	782,739	6.98%	774,535	7.43%	786,181	8.27%	774,586	8.12%	736,197	7.95%
14 Tax Expense - Property	91,202	0.81%	74,380	0.71%	78,610	0.83%	75,040	0.79%	73,190	0.79%
15 Tax Expense - Other	9,860	0.09%	9,639	0.09%	8,550	0.09%	8,985	0.09%	39,017	0.42%
16 Interest on Long-Term Debt	715,002	6.37%	765,641	7.35%	890,505	9.36%	1,020,282	10.69%	164,827	1.78%
17 Interest Charged to Construction - Credit	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
18 Interest Expense - Other	1,640	0.01%	1,506	0.01%	6,929	0.07%	7,804	0.08%	15,827	0.17%
19 Other Deductions	(25,136)	-0.22%	(29,824)	-0.29%	(29,824)	-0.31%	(29,824)	-0.31%	(149,122)	-1.61%
<b>20 Total Cost of Service</b>	<b>\$9,291,255</b>	<b>82.82%</b>	<b>\$8,940,570</b>	<b>85.77%</b>	<b>\$8,324,502</b>	<b>87.52%</b>	<b>\$8,652,291</b>	<b>90.67%</b>	<b>\$8,490,935</b>	<b>91.69%</b>
<b>21 Patronage Capital &amp; Operating Margins</b>	<b>\$1,927,240</b>	<b>17.18%</b>	<b>\$1,482,883</b>	<b>14.23%</b>	<b>\$1,186,580</b>	<b>12.48%</b>	<b>\$890,755</b>	<b>9.33%</b>	<b>\$769,191</b>	<b>8.31%</b>
22 Non Operating Margins - Interest	\$46,586	0.42%	\$38,851	0.37%	\$26,110	0.27%	\$31,590	0.33%	\$45,168	0.49%
23 Allowance for Funds used During Construction	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
24 Income (Loss) from Equity Investments	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
25 Non Operating Margins - Other	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
26 Generation & Transmission Capital Credits	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
27 Other Capital Credits & Patronage Dividends	3,914	0.03%	19,219	0.18%	70	0.00%	25,966	0.27%	0	0.00%
28 Extraordinary Items	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
<b>29 Patronage Capital or Margins</b>	<b>\$1,977,740</b>	<b>17.63%</b>	<b>\$1,540,953</b>	<b>14.78%</b>	<b>\$1,212,760</b>	<b>12.75%</b>	<b>\$948,311</b>	<b>9.94%</b>	<b>\$814,359</b>	<b>8.79%</b>
<b>30 Total Cost of Service Less Cost of Power</b>	<b>\$2,759,073</b>	<b>24.59%</b>	<b>\$2,791,101</b>	<b>26.78%</b>	<b>\$3,008,909</b>	<b>31.64%</b>	<b>\$3,304,499</b>	<b>34.63%</b>	<b>\$2,081,300</b>	<b>22.48%</b>
31 Tier - Oper.	3.70		2.94		2.33		1.87		5.67	
32 Tier - Total	3.77		3.01		2.36		1.93		5.94	
33 New Services Connected	38		65		37		25		12	
34 Total Services in Place	27,488		27,130		27,065		26,823		26,334	
35 Miles of Line	2,655		2,665		2,639		2,629		2,591	

**Lower Valley Energy**  
 Electric Five Year Comparison  
*For The Month Ended*  
*February 28, 2017*



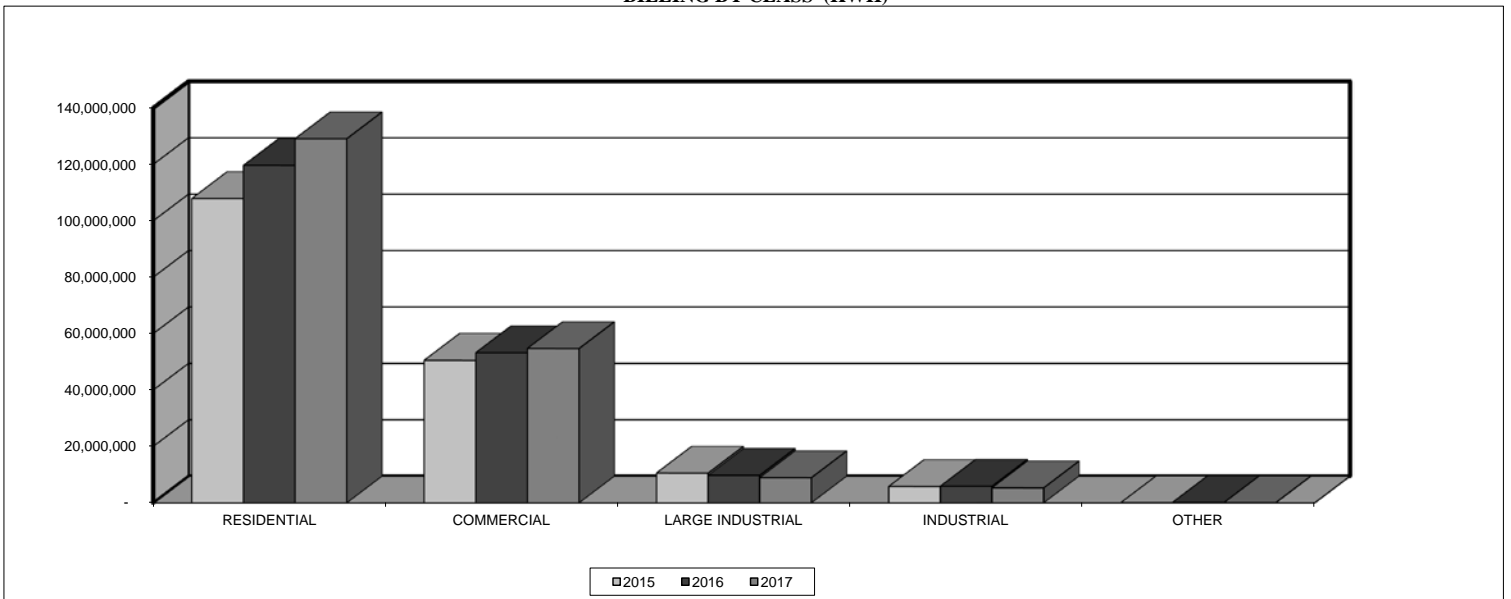
LOWER VALLEY ENERGY, INC. <i>ELECTRIC DIVISION</i> FINANCIAL AND STATISTICAL REPORT				BORROWER DESIGNATION Wyoming 11, Lincoln			
				PERIOD ENDED February 28, 2017			
PART R. POWER REQUIREMENTS DATA BASE							
CLASSIFICATION	CONSUMER SALES AND REVENUE DATA	JANUARY (a)	FEBRUARY (b)	MARCH (c)	APRIL (d)	MAY (e)	JUNE (f)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	20,801	20,769				
	b. kWH Sold	70,214,631	58,900,955				
	c. Revenue	4,104,623	3,494,304				
2. Residential Sales- Seasonal	a. No. Consumers Served						
	b. kWH Sold						
	c. Revenue						
3. Irrigation Sales	a. No. Consumers Served	192	191				
	b. kWH Sold	9,790	9,976				
	c. Revenue	1,543	1,556				
4. Comm. and Ind. 1000 kVA or Less	a. No. Consumers Served	4,972	4,971				
	b. kWH Sold	29,183,111	25,538,016				
	c. Revenue	1,704,315	1,517,646				
5. Comm. and Ind. Over 1000 kVA	a. No. Consumers Served	17	17				
	b. kWH Sold	7,637,600	6,584,760				
	c. Revenue	364,523	314,677				
6. Public Street and Highway Lighting	a. No. Consumers Served	1,312	1,312				
	b. kWH Sold	50,550	50,606				
	c. Revenue	10,293	10,309				
7. Other Sales to Public Auth.	a. No. Consumers Served						
	b. kWH Sold						
	c. Revenue						
8. Sales for Resales- REA Borrowers	a. No. Consumers Served						
	b. kWH Sold						
	c. Revenue						
9. Unbilled Revenue	a. No. Consumers Served						
	b. kWH Sold	1,004,228	(10,270,146)				
	c. Revenue	47,600	(548,584)				
10. TOTAL No. Consumers (lines 1a - 9a)		27,294	27,260				
11. TOTAL kWH Sold (lines 1b - 9b)		108,099,910	80,814,167				
12. TOTAL Revenue Received From Sales of Electric Energy (lines 1c - 9c)		6,232,899	4,789,908				
13. Other Electric Revenue		133,462	62,223				
14. kWH - Own Use		191,506	196,425				
15. TOTAL kWH Purchased		113,822,712	81,460,953				
16. TOTAL kWH Generated		649,200	554,400				
17. Cost of Purchases and Generation		3,868,850	2,607,466				
18. Interchange - kWH - Net							
19. Peak - Sum All kW Input (Metered) <input checked="" type="checkbox"/> Coincident <input type="checkbox"/> Non-Coincident		218,819	164,976				

**ANALYSIS OF BILLING**  
**February 28, 2017**  
**ELECTRIC**  
**Accrual Basis**

YEAR	NUMBER			NUMBER			NUMBER		
	OF METERS	KWH	AMOUNT	OF METERS	KWH	AMOUNT	OF METERS	KWH	AMOUNT
	<b>Residential</b>			<b>Commercial</b>			<b>Industrial</b>		
2015	20,256	107,907,094	\$6,229,464	4,821	50,522,582	\$2,899,685	16	5,803,500	\$310,002
2016	20,486	119,649,559	\$7,075,718	4,903	53,228,454	\$3,140,404	16	5,905,280	\$323,058
2017	20,769	129,115,586	\$7,598,928	4,971	54,721,127	\$3,221,962	16	5,314,700	\$302,070
	<b>Irrigation</b>			<b>Lighting</b>			<b>Large Industrial</b>		
2015	185	7,648	\$2,200	1,550	103,140	\$20,319	1	10,553,400	\$420,104
2016	189	97,088	\$6,490	1,313	101,662	\$20,692	1	9,778,500	\$408,547
2017	191	19,766	\$3,099	1,312	101,156	\$20,602	1	8,907,660	\$377,130
	<b>Change in Unbilled Revenue</b>			<b>February Totals</b>			<b>Year to Date Totals</b>		
2015		(8,949,087)	(\$459,086)	26,829	76,881,994	\$4,393,635	26,829	165,948,277	\$9,422,688
2016		(4,420,044)	(\$354,204)	26,908	85,713,120	\$5,029,578	26,908	184,340,499	\$10,620,705
2017		(9,265,918)	(\$500,984)	27,260	91,084,313	\$5,338,492	27,260	188,914,077	\$11,022,807

YTD KW	Degree Days		Revenue Summary Form 7 Part A Line 1		Lower Valley Energy KWH Usage		
	Normal	Actual					
2015	184,876	2,834	2,608	Year to Date Billing	\$11,022,807	2015	499,609
2016	184,876	2,845	2,806	Other Revenue	<u>195,688</u>	2016	478,550
2017	218,819	2,830	2,901	Form 7a Line 1 YTD Revenue	<u>\$11,218,495</u>	2017	387,931

**BILLING BY CLASS (KWH)**

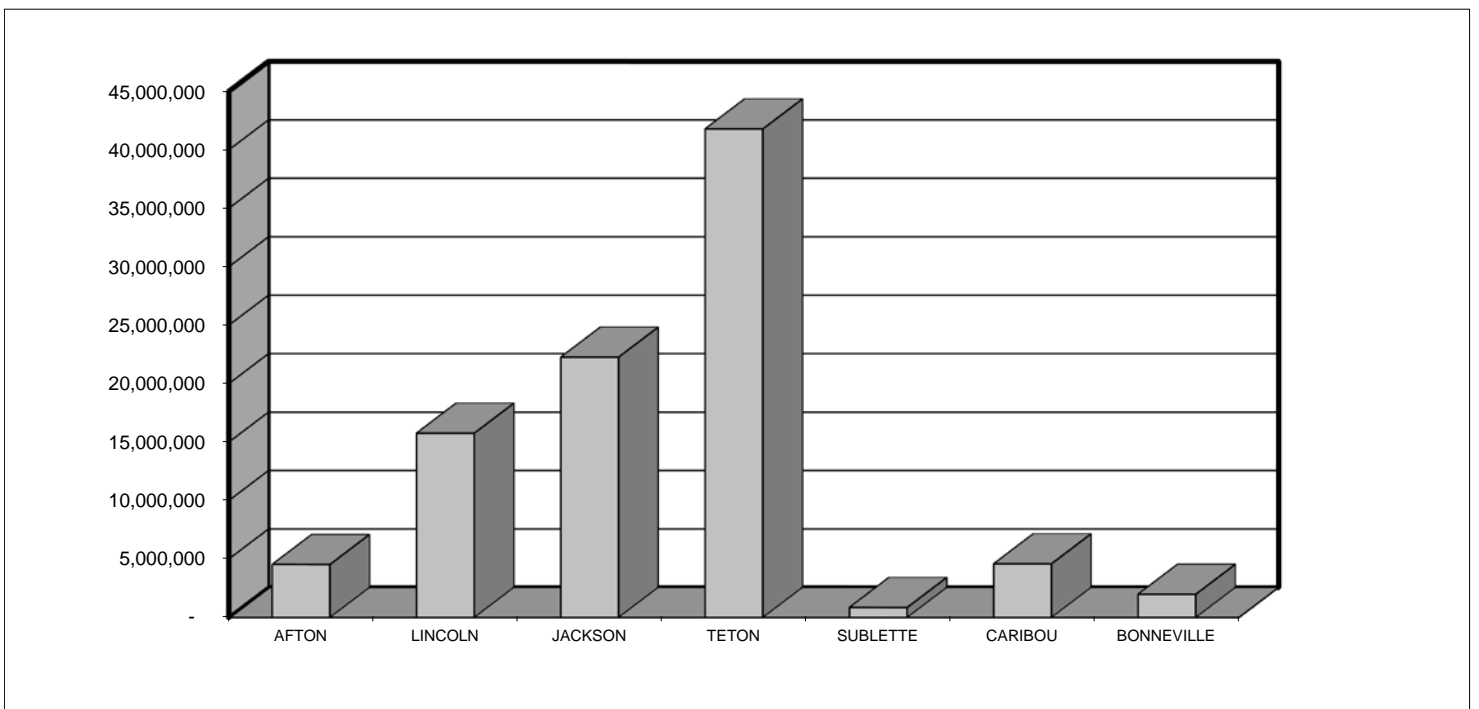


**LOWER VALLEY ENERGY  
BILLING BY GEOGRAPHIC AREAS  
ELECTRIC DIVISION  
February 28, 2017  
BILLING BASIS**

	CONSUMERS	KWH	CHARGES	AVERAGE KWH	AVERAGE BILL	REVENUE PER KWH CENTS
TOWN OF AFTON	1,915	4,521,661	\$274,173	2,361	\$143.17	6.06
LINCOLN COUNTY (less Afton)	7,239	15,751,022	\$956,227	2,176	\$132.09	6.07
TOWN OF JACKSON	7,290	22,257,689	\$1,310,575	3,053	\$179.78	5.89
TETON COUNTY (less Jackson)	8,532	41,783,392	\$2,407,778	4,897	\$282.21	5.76
SUBLETTE COUNTY	537	847,336	\$53,457	1,578	\$99.55	6.31
CARIBOU COUNTY	287	4,583,446	\$203,127	15,970	\$707.76	4.43
BONNEVILLE COUNTY	1,460	1,975,133	\$126,144	1,353	\$86.40	6.39
<b>TOTAL</b>	<u>27,260</u>	<u>91,719,679</u>	<u>\$5,331,481</u>	<u>3,365</u>	<u>\$195.58</u>	<u>5.81</u>
			<u>(479,350)</u>			
			<u><b>\$4,852,131</b></u>			

Adjustments and Accruals  
Total Operating Revenue

KWH





**LOWER VALLEY ENERGY**  
**STATEMENT OF OPERATIONS**  
*For The Month Ended*  
*February 28, 2017*

**NATURAL GAS DIVISION**

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
<b>1 Operating Revenue and Patronage Capital</b>	<b>\$ 2,343,669</b>	<b>\$ 2,814,027</b>	<b>\$ 2,602,700</b>	<b>\$ 1,203,495</b>
2 Power Production Expense	-	-	-	-
3 Cost of Gas	699,017	1,133,620	1,016,088	498,701
4 Transmission Operation & Maintenance	29,394	19,983	32,628	10,014
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	71,904	72,576	63,819	38,120
7 Distribution Maintenance Expense	35,688	33,975	37,041	20,675
8 Consumer Accounts Expense	14,181	13,868	19,674	6,344
9 Customer Service and Informational Expense	3,554	3,790	5,347	2,161
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	75,364	58,447	121,448	30,057
<b>12 Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>\$ 929,102</b>	<b>\$ 1,336,259</b>	<b>\$ 1,296,046</b>	<b>\$ 606,072</b>
13 Depreciation and Amortization Expense	209,293	210,844	211,030	105,415
14 Tax Expense-Property	35,140	37,898	35,210	18,949
15 Tax Expense-Other	3,309	3,826	3,400	1,798
16 Interest on Long-Term Debt	228,153	221,893	221,900	110,946
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other	3,233	122	1,600	63
19 Other Deductions	-	-	-	-
<b>20 Total Cost of Service (12 thru 19)</b>	<b>\$ 1,408,231</b>	<b>\$ 1,810,842</b>	<b>\$ 1,769,186</b>	<b>\$ 843,244</b>
21 Patronage Capital & Operating Margins (1 minus 20)	\$ 935,438	\$ 1,003,185	\$ 833,514	\$ 360,251
22 Non Operating Margins-Interest	-	-	-	-
23 Allowance for Funds Used During Construction	-	-	-	-
24 Income (Loss) from Equity Investments	-	-	-	-
25 Non Operating Margins-Other	-	-	-	-
26 Generation and Transmission Capital Credits	-	-	-	-
27 Other Capital Credits and Patronage Dividends	-	-	-	-
28 Extraordinary Items	-	-	-	-
<b>29 Patronage Capital or Margins (21 thru 28)</b>	<b>\$ 935,438</b>	<b>\$ 1,003,185</b>	<b>\$ 833,514</b>	<b>\$ 360,251</b>

**DATA ON TRANSMISSION AND DISTRIBUTION**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	10	13	5. Miles Trans.	53	53
2. Services Retired	1	0	6. Miles Distr. - 2" or less	151	165
3. Total Services in Place	4,042	4,155	7. Miles Dist. - Over 2"	45	45
4. Idle Services (Exclude Seasonal)	33	36	8. Total Miles (5 + 6 + 7)	249	263

**LOWER VALLEY ENERGY**  
BALANCE SHEET  
As of  
February 28, 2017

**NATURAL GAS DIVISION**

ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
	Current Year	Prior Year		Current Year	Prior Year
1 Total Utility Plant in Service	\$ 45,548,089	\$ 45,340,518	30 Memberships	-	-
2 Construction Work in Progress	259,727	43,599	31 Patronage Capital	7,913,600	7,924,289
<b>3 Total Utility Plant</b>	<b>45,807,816</b>	<b>45,384,117</b>	32 Operating Margins-Prior Years	1,431,329	-
4 Accum. Provision for Depreciation and Amort	12,665,567	11,391,664	33 Operating Margins-Current Year	1,003,185	935,438
<b>5 Net Utility Plant</b>	<b>33,142,249</b>	<b>33,992,453</b>	34 Non Operating Margins	-	-
6 Nonutility Property - Net	-	-	35 Other Margins and Equities	27,296	19,122
7 Investments in Subsidiary Companies	-	-	<b>36 Total Margins &amp; Equities</b>	<b>10,375,410</b>	<b>8,878,850</b>
8 Invest. in Assoc. Org. - Patronage Capital	646,445	592,107	37 Long-Term Debt - RUS (Net)	-	-
9 Invest. in Assoc. Org.-Other-General Funds	-	-	38 Long-Term Debt - FFB - RUS Guaranteed	-	-
10 Invest. in Assoc. Org.-Other-Nongeneral Funds	578,900	578,900	39 Long-Term Debt - Other - RUS Guaranteed	-	-
11 Investments in Economic Development Projects	-	-	40 Long-Term Debt-Other (Net)	28,417,633	29,410,154
12 Other Investments	-	-	40a Long-Term Debt-Other (BPA Power Prepayment)	-	-
13 Special Funds	-	-	41 Long-Term Debt - RUS Econ. Devel. (Net)	-	-
<b>14 Total Other Property &amp; Investments</b>	<b>1,225,345</b>	<b>1,171,007</b>	42 Payments - Unapplied	-	-
15 Cash-General Funds	-	-	<b>43 Total Long-Term Debt</b>	<b>28,417,633</b>	<b>29,410,154</b>
16 Cash-Construction Funds-Trustee	-	-	44 Obligations under Capital Leases	-	-
17 Special Deposits	-	-	45 Accumulated Operating Provisions	-	-
18 Temporary Investments	-	-	<b>46 Total Other Noncurrent Liabilities</b>	<b>-</b>	<b>-</b>
19 Notes Receivable-Net	-	-	47 Notes Payable	-	-
20 Accounts Receivable-Net Sales of Energy	1,333,449	1,091,077	48 Accounts Payable	48,666	19,395
21 Accounts Receivable-Net Other	54,800	24,656	49 Consumers Deposits	48,632	75,427
22 Renewable Energy Credits	-	-	50 Current Maturities Long-Term Debt	992,520	960,105
23 Materials & Supplies-Electric and Other	110,288	98,509	51 Current Maturities Long-Term Debt - Econ. Devel.	-	-
24 Prepayments	-	-	52 Current Maturities Capital Leases	-	-
25 Other Current & Accrued Assets	570,157	476,796	53 Other Current & Accrued Liabilities	(558,157)	592,452
<b>26 Total Current &amp; Accrued Assets</b>	<b>2,068,694</b>	<b>1,691,038</b>	<b>54 Total Current &amp; Accrued Liabilities</b>	<b>531,661</b>	<b>1,647,379</b>
27 Regulatory Assets	-	-	55 Regulatory Liabilities	-	-
28 Other Deferred Debits	2,888,416	3,081,885	56 Deferred Credits	-	-
28a Other Non-current Assets-BPA Power Prepayment	-	-	<b>57 Total Liabilities &amp; Other Credits</b>	<b>\$ 39,324,705</b>	<b>\$ 39,936,382</b>
<b>29 Total Assets &amp; Other Debits</b>	<b>\$ 39,324,705</b>	<b>\$ 39,936,382</b>			

**NOTES TO FINANCIAL STATEMENTS**

THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.

	2017		2016	
	January	February	January	February
1. Current Assets/Liabilities	2.10	3.89	0.90	1.03
2. Equity	22.37%	23.60%	20.96%	22.23%
3. Long Term Debt as a % of Plant	62.58%	62.04%	65.37%	64.80%
4. Material Inventory:	117,778	110,288	95,230	98,509
5. Intercompany payable	344,900	706,246	(832,060)	(467,735)

**LOWER VALLEY ENERGY, INC**  
**STATEMENT OF CASH FLOWS**

*For The Month Ended*  
*February 28, 2017*

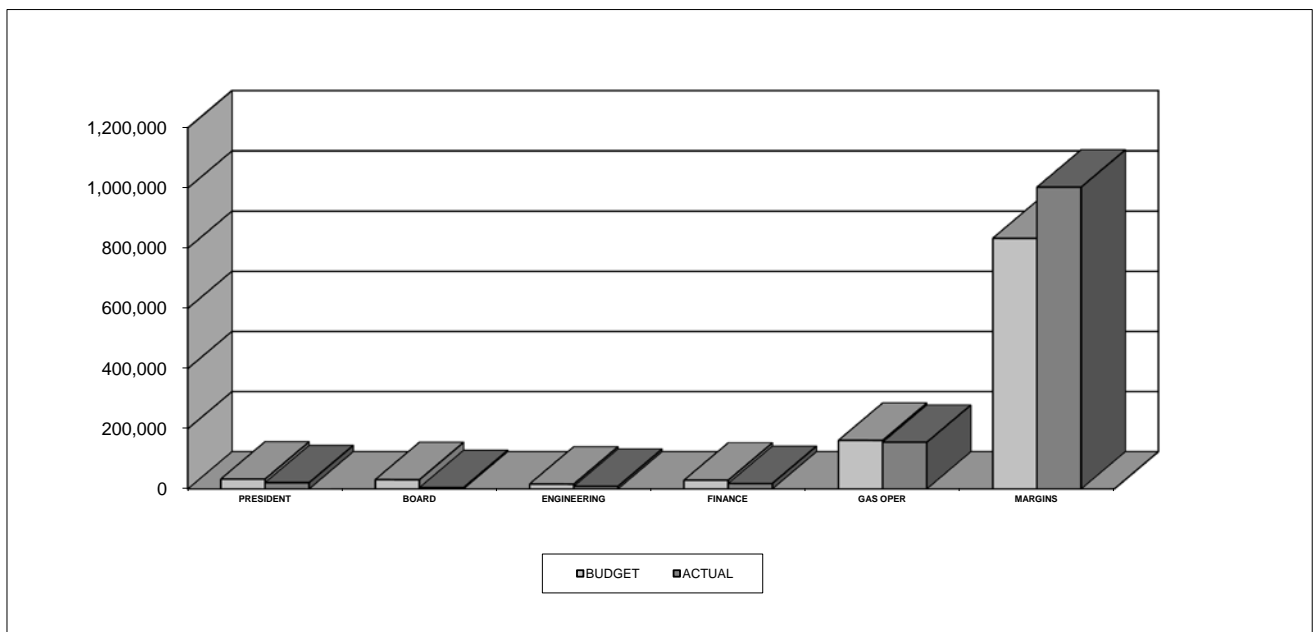
**NATURAL GAS DIVISION**

	YEAR TO DATE	THIS MONTH
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Margins	\$ 1,003,185	\$ 360,251
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	210,844	105,415
Decrease/(Increase) in:		
Special Deposits	-	-
Accounts Receivable	(179,091)	131,382
Other Accounts Receivable	(2,904)	345
Materials & Supplies	4,786	7,490
Prepayments	-	-
Other Current Assets	106,592	155,829
Other Deferred Debits	31,424	82,220
Increase/(Decrease) in:		
Accounts Payable (excluding line of credit)	(17,094)	(32,486)
Consumer Deposits	4,665	4,403
Other Current Liabilities	(65,453)	(205,952)
Deferred Credits	(43,659)	-
Net cash provided by operating activities	1,053,295	608,897
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets Net of Retirements	(20,126)	(3,023)
Change in Notes Receivable	-	-
Change in Investments in Associated Organizations	-	-
Change in Investments in Economic Development Projects	-	-
Change in Temporary Investments	-	-
Change in Other Investments	-	-
Net cash provided/(used) by investing activities	(20,126)	(3,023)
<b>CASH FLOWS FROM FINANCING AND CAPITAL CREDIT</b>		
Change in Capital Credits	(996)	(503.10)
Change in Long-term Debt	(244,025)	(244,025)
Net cash provided/(used) by financing and capital credit activities	(245,021)	(244,528)
Total change in intercompany balance	788,148	361,346
Beginning intercompany balance	(81,902)	344,900
Ending intercompany balance	\$ 706,246	\$ 706,246

**Lower Valley Energy**  
 Natural Gas Budget vs. Actual Comparison  
 For The Month Ended  
 February 28, 2017

ITEM	2016 Total Budget	YTD Actual	YTD Budget	YTD Variance	%
	Variance				
<b>1 Operating Revenue</b>	<b>\$ 8,125,000</b>	<b>\$ 2,814,027</b>	<b>\$ 2,602,700</b>	<b>\$ 211,327</b>	<b>8.12%</b>
2 Power Production Expense	-	-	-	-	0.00%
3 Cost of Purchased Gas	2,706,055	1,133,620	1,016,088	117,532	11.57%
4 Transmission Operation & Maintenance	230,294	19,983	32,628	(12,646)	-38.76%
5 Regional Market Expense	-	-	-	-	0.00%
6 Distribution Operation Expense	333,014	72,576	63,819	8,757	13.72%
7 Distribution Maintenance Expense	191,458	33,975	37,041	(3,066)	-8.28%
8 Consumer Accounts Expense	117,089	13,868	19,674	(5,805)	-29.51%
9 Customer Service and Informational Expense	87,854	3,790	5,347	(1,558)	-29.13%
10 Sales Expense	-	-	-	-	0.00%
11 Administrative and General Expense	523,846	58,447	121,448	(63,001)	-51.87%
<b>12 Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>4,189,610</b>	<b>1,336,259</b>	<b>1,296,046</b>	<b>40,213</b>	<b>3.10%</b>
13 Depreciation and Amortization Expense	1,252,170	210,844	211,030	(186)	-0.09%
14 Tax Expense-Property	210,840	37,898	35,210	2,688	7.63%
15 Tax Expense-Other	12,000	3,826	3,400	426	12.54%
16 Interest on Long-Term Debt	1,351,832	221,893	221,900	(7)	0.00%
17 Interest Charged to Construction-Credit	-	-	-	-	0.00%
18 Interest Expense-Other	72,000	122	1,600	(1,478)	-92.37%
19 Other Deductions	-	-	-	-	0.00%
<b>20 Total Cost of Service (12 thru 19)</b>	<b>7,088,452</b>	<b>1,810,842</b>	<b>1,769,186</b>	<b>41,656</b>	<b>2.35%</b>
<b>21 Patronage Capital &amp; Operating Margins (1 minus 20)</b>	<b>1,036,548</b>	<b>1,003,185</b>	<b>833,514</b>	<b>169,671</b>	<b>20.36%</b>
22 Non Operating Margins-Interest	-	-	-	-	0.00%
23 Allowance for Funds Used During Construction	-	-	-	-	0.00%
24 Income (Loss) from Equity Investments	-	-	-	-	0.00%
25 Non Operating Margins-Other	-	-	-	-	0.00%
26 Generation and Transmission Capital Credits	-	-	-	-	0.00%
27 Other Capital Credits and Patronage Dividends	100,000	-	-	-	0.00%
28 Extraordinary Items	-	-	-	-	0.00%
<b>29 Patronage Capital or Margins (21 thru 28)</b>	<b>\$ 1,136,548</b>	<b>\$ 1,003,185</b>	<b>\$ 833,514</b>	<b>\$ 169,671</b>	<b>20.36%</b>
Tier - Oper.	1.77	5.52	4.76		
Tier - Total	1.84	5.52	4.76		

**BUDGET BY DEPARTMENT**



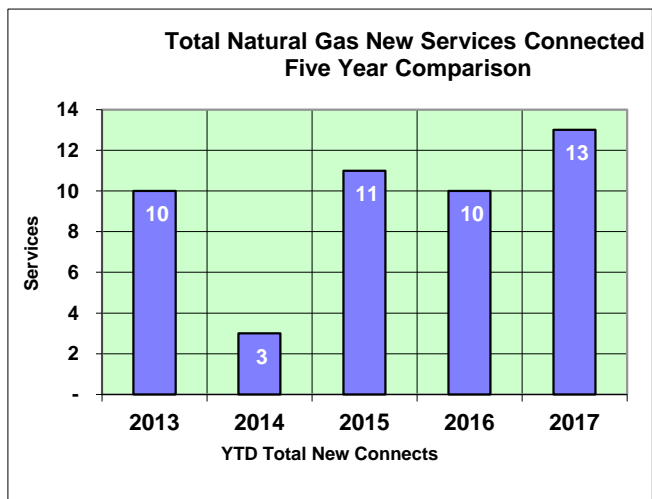
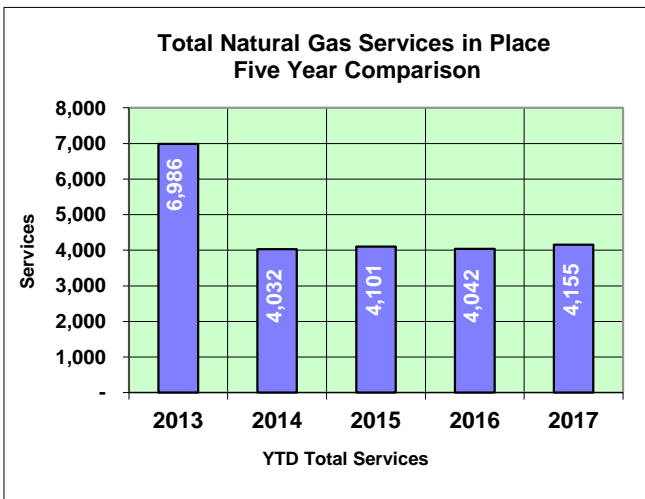
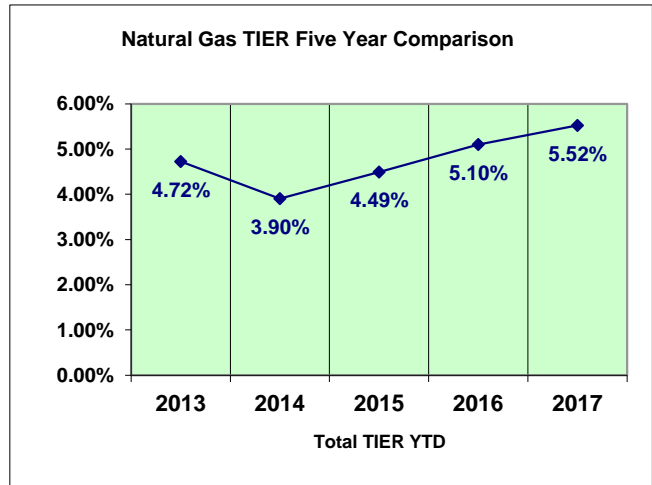
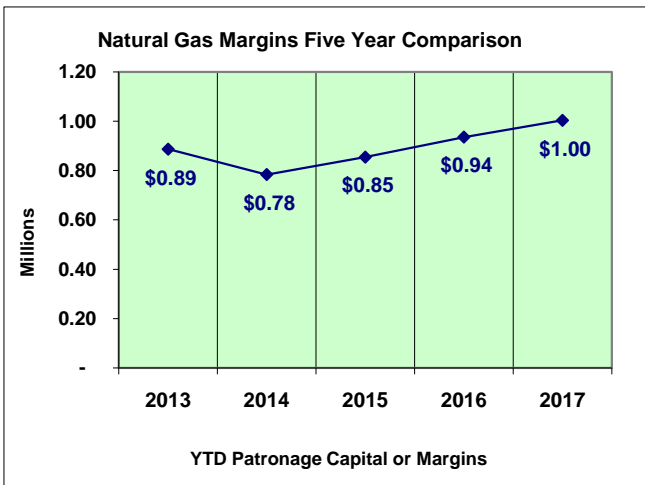
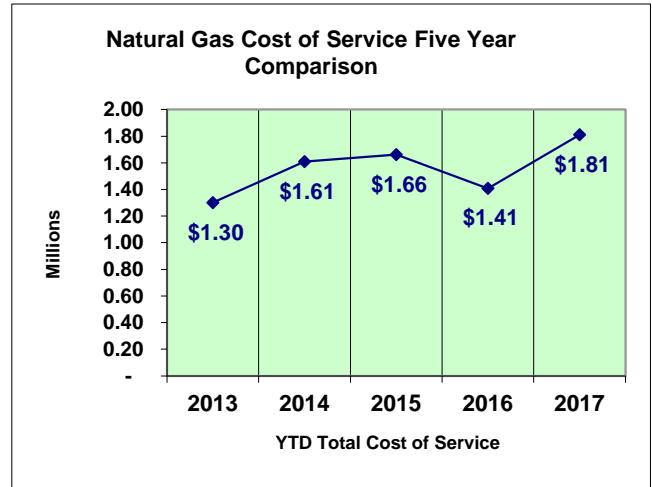
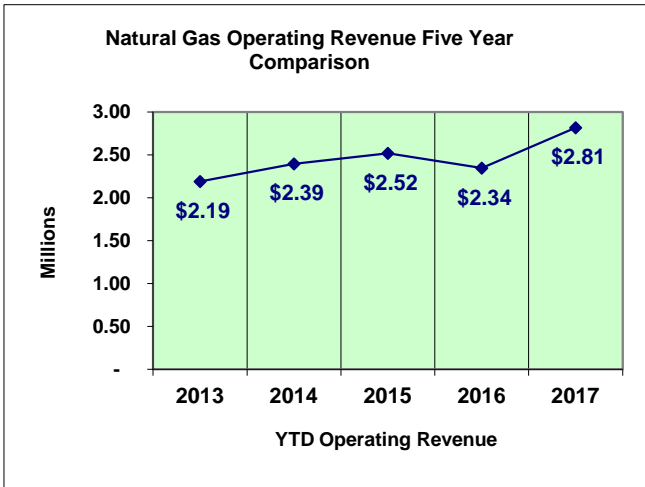
**Lower Valley Energy**  
**Natural Gas Five Year Comparison**

For the Month Ended

February 28, 2017

ITEM	Year to Date 2017		Year to Date 2016		Year to Date 2015		Year to Date 2014		Year to Date 2013	
	\$	% of Op Rev	\$	% of Op Rev	\$	% of Op Rev	\$	% of Op Rev	\$	% of Op Rev
<b>1 Operating Revenue</b>	<b>\$ 2,814,027</b>		<b>\$ 2,343,669</b>		<b>\$ 2,516,025</b>		<b>\$ 2,392,868</b>		<b>\$ 2,187,356</b>	
2 Power Production Expense	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
3 Cost of Gas Sold	1,133,620	40.28%	699,017	29.83%	953,260	37.89%	921,700	38.52%	663,968	30.35%
4 Transmission Operation & Maintenance	19,983	0.71%	29,394	1.25%	29,172	1.16%	26,631	1.11%	40,287	1.84%
5 Regional Market Expense	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
6 Distribution Operation	72,576	2.58%	71,904	3.07%	63,870	2.54%	44,421	1.86%	35,204	1.61%
7 Distribution Maintenance	33,975	1.21%	35,688	1.52%	27,993	1.11%	18,186	0.76%	19,082	0.87%
8 Consumer Accounts Expense	13,868	0.49%	14,181	0.61%	17,234	0.68%	17,043	0.71%	15,324	0.70%
9 Customer Service & Information Expense	3,790	0.13%	3,554	0.15%	3,432	0.14%	3,855	0.16%	4,179	0.19%
10 Sales Expense	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
11 Administrative & General Expense	58,447	2.08%	75,364	3.22%	58,745	2.33%	61,041	2.55%	55,735	2.55%
<b>12 Total Operation &amp; Maintenance Expense</b>	<b>\$ 1,336,259</b>	<b>47.49%</b>	<b>\$ 929,102</b>	<b>39.64%</b>	<b>\$ 1,153,705</b>	<b>45.85%</b>	<b>\$ 1,092,877</b>	<b>45.67%</b>	<b>\$ 833,779</b>	<b>38.12%</b>
13 Depreciation & Amortization Expense	210,844	7.49%	209,293	8.93%	209,318	8.32%	191,289	7.99%	162,460	7.43%
14 Tax Expense - Property	37,898	1.35%	35,140	1.50%	35,300	1.40%	30,420	1.27%	29,140	1.33%
15 Tax Expense - Other	3,826	0.14%	3,309	0.14%	3,699	0.15%	4,014	0.17%	3,655	0.17%
16 Interest on Long-Term Debt	221,893	7.89%	228,153	9.73%	244,717	9.73%	269,969	11.28%	238,076	10.88%
17 Interest Charged to Construction - Credit	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
18 Interest Expense - Other	122	0.00%	3,233	0.14%	14,976	0.60%	20,455	0.85%	33,808	1.55%
19 Other Deductions	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
<b>20 Total Cost of Service</b>	<b>\$ 1,810,842</b>	<b>64.35%</b>	<b>\$ 1,408,231</b>	<b>60.09%</b>	<b>\$ 1,661,715</b>	<b>66.05%</b>	<b>\$ 1,609,025</b>	<b>67.24%</b>	<b>\$ 1,300,918</b>	<b>59.47%</b>
<b>21 Patronage Capital &amp; Operating Margins</b>	<b>\$ 1,003,185</b>	<b>35.65%</b>	<b>\$ 935,438</b>	<b>39.91%</b>	<b>\$ 854,310</b>	<b>33.95%</b>	<b>\$ 783,844</b>	<b>32.76%</b>	<b>\$ 886,439</b>	<b>40.53%</b>
22 Non Operating Margins - Interest	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
23 Allowance for Funds used During Constructio	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
24 Income (Loss) from Equity Investments	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
25 Non Operating Margins - Other	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
26 Generation & Transmission Capital Credits	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
27 Other Capital Credits & Patronage Dividends	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
28 Extraordinary Items	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
<b>29 Patronage Capital or Margins</b>	<b>\$ 1,003,185</b>	<b>35.65%</b>	<b>\$ 935,438</b>	<b>39.91%</b>	<b>\$ 854,310</b>	<b>33.95%</b>	<b>\$ 783,844</b>	<b>32.76%</b>	<b>\$ 886,439</b>	<b>40.53%</b>
<b>30 Total Cost of Service Less Cost of Gas</b>	<b>\$ 657,240</b>	<b>23.36%</b>	<b>\$ 679,820</b>	<b>29.01%</b>	<b>\$ 679,283</b>	<b>27.00%</b>	<b>\$ 660,694</b>	<b>27.61%</b>	<b>\$ 596,663</b>	<b>27.28%</b>
31 Tier - Oper.	5.52		5.10		4.49		3.90		4.72	
32 Tier - Total	5.52		5.10		4.49		3.90		4.72	
33 New Services Connected	13		10		11		3		10	
34 Total Services in Place	4,155		4,042		4,101		4,032		6,986	
35 Miles of Line	263		249		281		274		258	

**Lower Valley Energy**  
 Natural Gas Five Year Comparison  
*For The Month Ended*  
*February 28, 2017*



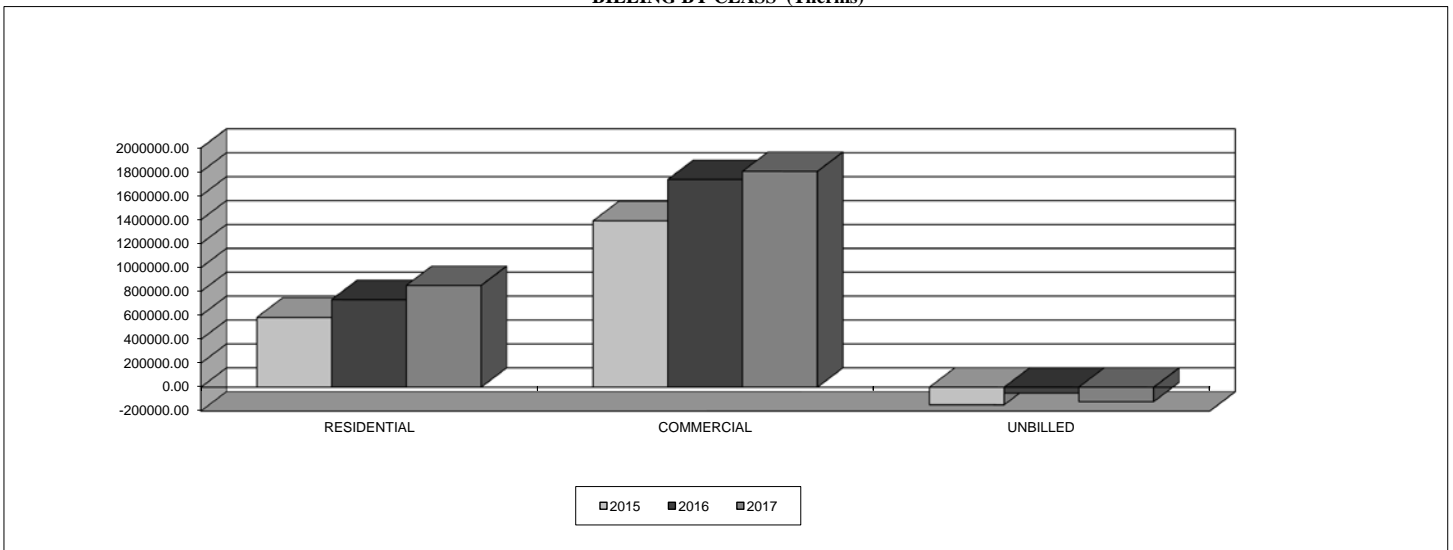
<b>LOWER VALLEY ENERGY, INC.</b> <b>NATURAL GAS</b> FINANCIAL AND STATISTICAL REPORT		<b>BORROWER DESIGNATION</b> Wyoming 11, Lincoln <b>PERIOD ENDED</b> February 28, 2017					
<b>PART R. GAS REQUIREMENTS DATA BASE</b>							
CLASSIFICATION	CONSUMER SALES AND REVENUE DATA	JANUARY <i>(a)</i>	FEBRUARY <i>(b)</i>	MARCH <i>(c)</i>	APRIL <i>(d)</i>	MAY <i>(e)</i>	JUNE <i>(f)</i>
1. Residential Sales	a. No. Consumers Served	3,124	3,113				
	b. Therms Sold	458,118	393,255				
	c. Revenue	524,540	470,178				
2. Comm. and Ind.	a. No. Consumers Served	1,003	1,006				
	b. Therms Sold	990,535	815,381				
	c. Revenue	1,035,502	887,211				
3. Unbilled Revenue	a. No. Consumers Served						
	b. Therms Sold	18,829	(139,363)				
	c. Revenue	49,236	(155,829)				
10. TOTAL No. Consumers (lines 1a - 3a)		4,127	4,119				
11. TOTAL Therms Sold (lines 1b - 3b)		1,467,482	1,069,273				
12. TOTAL Revenue Received From Sales of Gas Energy (lines 1c - 3c)		1,609,278	1,201,561				
13. Other Gas Revenue		1,254	1,935				
14. Therms - Own Use		20,867	20,669				
15. Cost of Purchases		634,919	498,701				

**ANALYSIS OF BILLING**  
**February 28, 2017**  
**Natural Gas Division**  
**Accrual Basis**

YEAR	NUMBER			NUMBER			NUMBER		
	OF METERS	THERMS	AMOUNT	OF METERS	THERMS	AMOUNT	OF METERS	THERMS	AMOUNT
	<b>Residential</b>			<b>Commercial</b>					
2015	2,904	583,943	\$869,376	983	1,392,015	\$1,849,702			
2016	3,020	732,935	\$814,348	989	1,738,413	\$1,716,280			
2017	3,113	851,373	\$994,718	1,006	1,805,916	\$1,922,714			
	<b>Change in Unbilled Revenue</b>			<b>February Totals</b>			<b>Year to Date Totals</b>		
2015		(146,800)	(\$210,507)	3,887	849,569	\$1,156,877	3887	1,829,158	2,508,571
2016		(49,223)	(\$48,959)	4,009	1,114,305	\$1,129,076	4009	2,422,125	2,481,669
2017		(120,534)	(\$106,592)	4,119	1,208,636	\$1,357,389	4119	2,536,755	2,810,840

<b>Degree Days</b>			<b>Revenue Summary Form 7 Part A Line 1</b>		<b>Lower Valley Energy Therm Usage</b>	
	Normal	Actual				
2014	2,834	2,608	Year to Date Billing	\$2,810,840	2015	24,088
2015	2,845	2,806	Other Revenue	<u>3,187</u>	2016	37,144
2016	2,830	2,901	Form 7a Line 1 YTD Revenue	<u>\$2,814,027</u>	2017	41,536

**BILLING BY CLASS (Therms)**





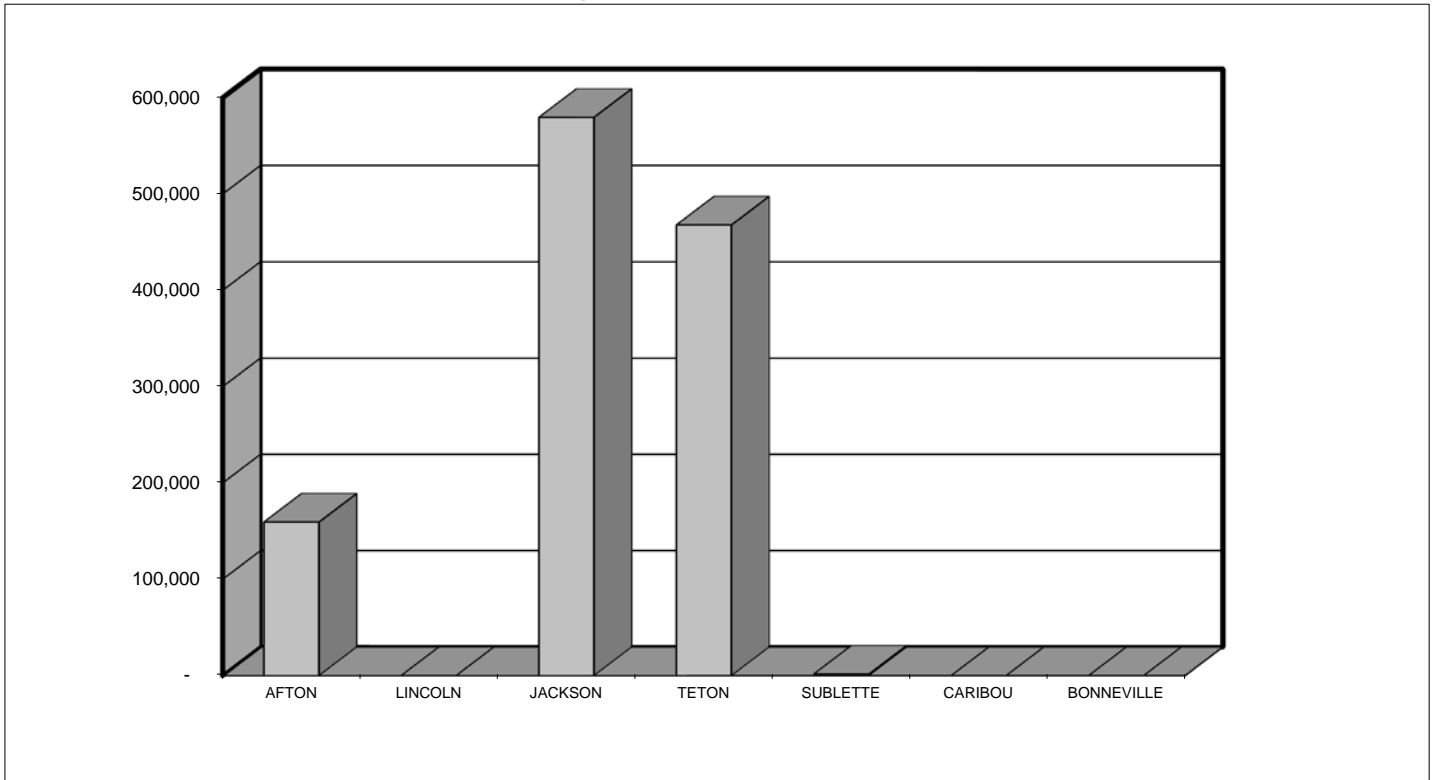
**LOWER VALLEY ENERGY  
BILLING BY GEOGRAPHIC  
NATURAL GAS  
February 28, 2017  
BILLING BASIS**

	<b>CONSUMERS</b>	<b>THERMS</b>	<b>CHARGES</b>	<b>AVERAGE THERMS</b>	<b>AVERAGE BILL</b>	<b>REVENUE PER THERM</b>
TOWN OF AFTON	785	159,266	\$179,927	203	\$229.21	\$1.13
TOWN OF JACKSON	2,343	579,542	\$653,208	247	\$278.79	\$1.13
TETON COUNTY	976	467,813	\$522,171	479	\$535.01	\$1.12
SUBLETTE COUNTY	15	1,512	\$1,790	101	\$119.33	\$1.18
<b>TOTAL</b>	<b>4,104</b>	<b>1,208,133</b>	<b>\$1,357,095</b>	<b>294</b>	<b>\$330.68</b>	<b>\$1.12</b>

Adjustments and Accruals  
Total Operating Revenue

(153,600)  
**\$1,203,495**

**THERMS BILLED**



**SWIFT CREEK HYDRO**  
**STATEMENT OF OPERATIONS**  
*For The Month Ended*  
*February 28, 2017*

**STATEMENT OF OPERATIONS - SWIFT CREEK HYDRO DIVISION**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	\$ 32,767	\$ 26,197	\$ 22,528	\$ 9,773
2. Power Production Expense.....	6,651	6,202	10,337	3,154
3. Scheduling and Delivery.....	1,348	6,114	6,000	857
4. Transmission Operation & Maintenance.....	-	-	-	-
5. Distribution Operation Expense.....	-	-	-	-
6. Distribution Maintenance Expense.....	-	-	-	-
7. Consumer Accounts Expense.....	-	-	-	-
8. Customer Service and Informational Expense.....	-	-	-	-
9. Sales Expense.....	-	-	-	-
10. Administrative and General Expense.....	1,356	3,870	1,350	1,935
11. Total Operation & Maintenance Expense (2 thru 10)...	9,355	16,186	17,687	5,946
12. Depreciation and Amortization Expense.....	24,615	24,615	24,640	12,308
13. Tax Expense-Property.....	3,240	3,723	3,310	1,861
14. Tax Expense-Other.....	-	-	-	-
15. Interest on Long-Term Debt.....	14,398	17,585	14,990	9,022
16. Interest Charged to Construction-Credit.....	-	-	-	-
17. Interest Expense-Other.....	-	-	-	-
18. Other Deductions.....	-	-	-	-
19. Total Cost of Electric Service (11 thru 18).....	51,608	62,109	60,627	29,137
20. Patronage Capital & Operating Margins (1 minus 19)...	(18,840)	(35,911)	(38,099)	(19,364)
21. Non Operating Margins-Interest.....	-	-	-	-
22. Allowance for Funds Used During Construction.....	-	-	-	-
23. Income (Loss) from Equity Investments.....	-	-	-	-
24. Non Operating Margins-Other.....	-	-	-	-
25. Generation and Transmission Capital Credits.....	-	-	-	-
26. Other Capital Credits and Patronage Dividends.....	-	-	-	-
27. Extraordinary Items.....	-	-	-	-
28. Patronage Capital or Margins (20 thru 27).....	\$ (18,840)	\$ (35,911)	\$ (38,099)	\$ (19,364)

Note:

Sales for 2017 consisted of the following:

PacifiCorp PURPA sales	\$ 21,424
DOE Hydro Incentive	-
Green sales to Teton County	4,773
	<u>4,773</u>
	<u>\$ 26,197</u>

**SWIFT CREEK HYDRO**  
**FINANCIAL AND STATISTICAL REPORT**  
*For the Month Ended*  
*February 28, 2017*

**BALANCE SHEET - SWIFT CREEK HYDRO DIVISION**

ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1. Total Utility Plant in Service..... \$ 7,072,196	30. Memberships..... \$ -
2. Construction Work in Progress..... -	31. Patronage Capital..... -
3. Total Utility Plant (1 + 2)..... 7,072,196	32. Operating Margins-Prior Years..... (67,600)
4. Accum. Provision for Depreciation and Amort..... 1,101,709	33. Operating Margins-Current Year..... (35,911)
5. Net Utility Plant (3 - 4)..... 5,970,488	34. Non Operating Margins..... -
6. Nonutility Property - Net..... -	35. Other Margins and Equities..... 530,757
7. Investments in Subsidiary Companies..... -	36. Total Margins & Equities (30 thru 35)..... 427,246
8. Invest. in Assoc. Org. - Patronage Capital..... -	37. Long-Term Debt - Bonds..... -
9. Invest. in Assoc. Org.-Other-General Funds..... -	38. Long-Term Debt Other - Econ. Devel. (Net)..... -
10. Invest. in Assoc. Org.-Other-Nongeneral Funds..... -	39. Long-Term Debt Other - Guaranteed..... -
11. Investments in Economic Development Projects..... -	40. Long-Term Debt-Other (Net)..... 5,154,886
12. Other Investments..... -	41. Total Long-Term Debt (37 thru 40)..... 5,154,886
13. Special Funds..... -	42. Obligations under Capital Leases..... -
14. Total Other Property & Investments (6 thru 13)..... -	43. Accumulated Operating Provisions..... -
15. Cash-General Funds..... -	44. Total Other Noncurrent Liabilities (42 + 43)..... -
16. Cash-Construction Funds-Trustee..... -	45. Notes Payable..... -
17. Special Deposits..... -	46. Accounts Payable..... -
18. Temporary Investments..... -	47. Consumers Deposits..... -
19. Notes Receivable-Net..... -	48. Current Maturities of Long-term Debt..... 225,412
20. Accounts Receivable-Net Sales of Energy..... -	49. Other Current & Accrued Liabilities..... 79,267
21. Accounts Receivable-Net Other..... 21,424	50. Total Current & Accrued Liabilities (45 thru 48)..... 304,679
22. Materials & Supplies-Electric and Other..... -	51. Deferred Credits..... 146,359
23. Prepayments..... -	52. Miscellaneous Operating Reserves..... -
24. Other Current & Accrued Assets..... -	53. Total Liabilities & Other Credits
25. Total Current & Accrued Assets (15 thru 24)..... 21,424	(36 +41 + 44 + 50 thru 52)..... \$ 6,033,170
26. Regulatory Assets..... -	
27. Deferred Debits..... 41,258	
28. Accumulated Deferred Income Taxes..... -	
29. Total Assets & Other Debits (5 + 14 + 25 thru 28)..... \$ 6,033,170	

**LOWER VALLEY ENERGY, INC**  
**STATEMENT OF CASH FLOWS**  
*For The Month Ended*  
*February 28, 2017*

**SWIFT CREEK HYDRO**

	YEAR TO DATE	THIS MONTH
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Margins	\$ (35,911)	\$ (19,364)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	24,615	12,308
Decrease/(Increase) in:		
Special Deposits	-	-
Accounts Receivable	-	-
Other Accounts Receivable	12,500	7,209
Materials & Supplies	-	-
Prepayments	-	-
Other Current Assets	-	-
Other Deferred Debits	(17,956)	(9,682)
Increase/(Decrease) in:		
Accounts Payable (excluding line of credit)	-	-
Consumer Deposits	-	-
Other Current Liabilities	7,972	9,022
Deferred Credits	27,569	9,682
Net cash provided by operating activities	18,788	9,175
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets Net of Retirements	-	-
Change in Notes Receivable	-	-
Change in Investments in Associated Organizations	-	-
Change in Investments in Economic Development Projects	-	-
Change in Temporary Investments	-	-
Change in Other Investments	-	-
Net cash provided/(used) by investing activities	-	-
<b>CASH FLOWS FROM FINANCING AND CAPITAL CREDIT</b>		
Change in Capital Credits	-	-
Change in Long-term Debt	(111,578)	(111,578)
Net cash provided/(used) by financing and capital credit activities	(111,578)	(111,578)
Total change in intercompany balance	(92,790)	(102,403)
Beginning intercompany balance	69,314	78,927
Ending intercompany balance (positive = cash, negative = liability)	\$ (23,476)	\$ (23,476)